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RECENT TAX REFORMS ABROAD. II

IN a preceding article[1] we considered the Lloyd-George budget of 1909–10 in England. Less epoch-making, perhaps, but nevertheless of great significance were the contemporaneous changes introduced in Germany. To these we must now turn our attention.

III. *Germany*

As in all federal states, the fiscal problem in Germany is threefold, dealing respectively with national, state and local finance. The great reforms of 1891–93[2] were concerned primarily with state and local finance. The reforms of 1909–10 dealt more particularly with federal finance. But the problems of federal finance are so closely interwoven with those of state and local finance that in order to obtain a clear understanding it is necessary to consider them together.

The characteristic features of the Prussian reforms of 1891–93 were the replacement of the old state taxes on produce by a modernized income tax, and the addition to the income tax of a light supplementary property tax. This property tax was designed to secure a differentiation of the income tax by placing a somewhat heavier burden upon incomes from property than upon those incomes which in England are described as earned. The movement so successfully inaugurated by Prussia gradually spread throughout the empire. Bavaria, which was the last of the large German states to adopt the income tax, took

[1] POLITICAL SCIENCE QUARTERLY, vol. xxvii, pp. 454-469.

[2] For an account of these see Seligman, Essays in Taxation, chap. x.

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this step in 1910, and the same year marked the adoption of the supplementary property tax in the smaller states of Sachsen-Meiningen and Sachsen-Weimar.[1] At the beginning of 1912 the general income tax existed in all the twenty-five German states, except the two Mecklenburgs, while the supplementary property tax had been introduced in nine states, including Prussia, Saxony, Hessen and six of the smaller commonwealths.

Side by side with this general movement came, although a little later, the gradual adoption of a system of state inheritance taxes. The law of 1891 in Prussia had indeed reformed the older system of probate fees and had introduced a light tax on collateral inheritances, with rates graduated from one to eight per cent, according to the degree of relationship. It was not until 1899 that Baden introduced a very slightly progressive direct-inheritance tax. From this time on, until 1906, when the imperial government intervened, many of the German states levied direct-inheritance taxes, with progressive scales that gradually became steeper and steeper. Thus in general it may be said that, in view of this double movement toward income and inheritance taxes, the German reform of state taxation was proceeding along the lines of faculty or ability to pay.

When, however, we come to consider federal taxation, the story is a very different one. The reform of 1909 cannot be understood without giving a short review of federal finance. Prior to the establishment of German political unity, customs duties had been collected for the common account of the German Customs Union. In 1867, when the North German Federation was organized, and in 1871, when the German Empire was established, these duties and the other common receipts of the Customs Union were assigned to the federation, respectively to the empire; and it was provided that, until the imperial government should levy independent taxes of its own, the federal expenses should be met by contributions from the several states. These contributions, analogous to the American requi-

[1] An account of the development in the separate states to the end of the year 1909 is to be found in Seligman, The Income Tax, part i, book 2, chapter 1, paragraph 6. In the same chapter will also be found a detailed account of the minor changes introduced in the Prussian income tax by the laws of 1906 and 1909.

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sitions during the period of the first constitution from 1781 to 1789, are known as *Matricular-Beiträge*. During the seventies, although "extraordinary" income to the amount of nearly 3000 million marks was drawn from the French war indemnity, it was found necessary to collect such contributions from the states: from 1872 to 1878 inclusive they averaged nearly 65 million marks annually.

After 1879, however, in consequence of the higher customs duties established in that year, the direct receipts of the empire became greater than its expenditures. The state contributions to the empire, which were now obviously unnecessary, were nevertheless retained, largely for political reasons; and the following somewhat complicated arrangement was established: the surplus of all revenues from imports and from the federal excise on tobacco, in excess of 130 million marks, was assigned or allotted to the separate states; the state contributions needed to balance the imperial budget were charged against the several states and set-off against their respective allotments (as both allotments and contributions were distributed *per capita* of the population, the set-off was perfect); and any surplus of allotments over contributions was paid to the states. Contributions charged against the states under this arrangement were, a little later on, called "covered" contributions, because exactly covered by the allotments; while any additional contributions over and above the allotments received the name of "uncovered" contributions. But for years, as just explained, all the contributions were covered contributions. It was really a matter of bookkeeping, as no *Beiträge* were actually paid by the states after 1879, the states receiving in cash the balances of their allotments over their contributions. During the ensuing years these balances grew, because certain surpluses of other federal taxes (stamp taxes and taxes on spirits) were also assigned to the states. It should be noted that all the federal taxes that had been imposed up to 1891 were indirect taxes.

During the last two decades of the century the states thus received, through federal grants, more than was charged to them in the way of contributions, and from 1896 to 1900 laws were passed from year to year regulating certain details of the sur-

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plus allotments to the several states. By the end of the century, however, a change took place. The increasing expenditures of the empire, especially for armaments, changed the surpluses into deficits, and the various states had now again to make uncovered contributions or actual *Beiträge* to the empire. Moreover, the system of federal grants to the states began to introduce considerable confusion into the state budgets, as the states could never tell beforehand exactly how much was coming to them. Accordingly, in 1904, the system of federal grants was abolished, so far as the surpluses from the customs and the tobacco tax were concerned, leaving only some of the stamp taxes and the spirits tax subject to the old arrangement.

In the year 1906 the increasing needs of the imperial government led to the adoption of a number of new federal taxes, so that the system henceforth included, in addition to the customs duties, internal taxes on tobacco, sugar, salt, champagne, beer, playing cards and spirituous liquors and stamp taxes on securities, sales, lotteries, railroad freight receipts and passenger tickets. An important feature of the law of 1906 was the introduction of a federal inheritance tax, from which direct descendants were exempt. The rates varied from four to ten per cent, according to the degree of relationship; and, in the case of inheritances of over 20,000 marks, additions to the respective rates were imposed, rising, in the case of inheritances over one million marks, to two and one-half times the original rate. The tax was to be levied, however, by the separate states, subject to the federal law governing double taxation, and subject also to supervision on the part of the imperial authorities. Two-thirds of the yield of the inheritance tax was to go to the empire and one-third to the several states, which were now to abandon their own inheritance taxes. It was, however, provided that, for a few years, each state should be guaranteed against any loss of revenue from the readjustment. So far as the indirect taxes were concerned, the old system of federal grants to the states was retained only in the case of the taxes on spirituous liquors and the stamp taxes on securities, sales and lotteries. The law of 1906 also provided for a postponement (*Stundung*) in the payment by the states of their contributions, whenever the ex-

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cess of these contributions over the federal grants should amount to more than 10 *pf.* per head of population.

The immense outlays for the navy, however, caused such a deficit in the imperial finances and promised to be such a burden on the states, through calls for contributions, that it became necessary to readjust the whole system.[1] It was generally recognized that an additional independent federal revenue of 500 million marks a year had become imperative. It was also conceded that the greater part of this addition must come from indirect taxes, the government itself proposing that 400 of the 500 millions should be derived from this source. As regards the remaining 100 millions, the government suggested an imperial inheritance tax, to be extended to direct descendants, with rates on other relatives considerably higher than under the existing law. The exact proposal was to add to the existing inheritance tax, which was payable on the individual shares, a tax on the whole estate, like the English estate duty, with rates ranging from one-half of one per cent to three per cent. The project included the interesting provision that where the estate had previously passed within five years the tax should not again be levied, and that when the estate had previously passed within ten years only one-half of the rate should be imposed. It was also proposed to secure for the federal government some revenue from the increment-value land taxes, which, as we shall see, had been rapidly developing throughout Germany.

The government proposals were met by counter-proposals on the part of the large landed proprietors, who vigorously objected to the new estate duty. A heated discussion ensued, accompanied by a deluge of literature.[2] The government was

[1] For a good statement of the situation *cf.* Adolf Wagner, Die Reichsfinanznot und die Pflichten des deutschen Volks wie seiner politischen Parteien: Ein Mahnwort eines alten Mannes (Berlin, 1908). Professor Wagner suggested that a part of the needed revenue should come from a federal income tax.

[2] The best account of the government proposals is contained in Die Reichsfinanzreform: Ein Führer, consisting of essays by prominent publicists, published by the Vereinigung zur Förderung der Reichsfinanzreform (2 vols., Berlin, 1909). Many other books or pamphlets, all with the same general title, Die Reichsfinanzreform, or Zur Reichsfinanzreform, were published by professors, officials, prominent business men *etc.* Among the most important were those of Minister Sydow, Graf zu Revent-

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ultimately compelled to abandon the proposed taxes on wine, gas lighting and advertisements; to reduce the increase of the beer tax by about one-half, and to give up the project of an inheritance tax. This last fact led to the resignation of the imperial chancellor. The laws of 1909, as finally adopted, provided for three classes of measures: the raising of the requisite additional revenue; the settlement of the fiscal relations between the empire and the states; and the adoption, in principle at least, of an imperial tax on the so-called unearned increment of land. Let us consider each of these in turn.

The most important point about the provision for additional revenue is that the needed increase, namely 500 millions, was derived entirely from the new or augmented indirect taxes, with the exception that 25 millions were to be secured by a slight addition to the *Matricular-Beiträge* and by the turning-over to the empire of three-fourths, instead of two-thirds, of the existing inheritance tax. In detail the sources of the additional revenue and the amounts derived from each source were as follows:

TAXES	MILLION MARKS	TAXES	MILLION MARKS
Beer	100	Securities	22.5
Spirits	80	Electric and other lamps	20
Tobacco and cigarettes	43	Railroad tickets	20
Transfers of real estate	40	Tickets and receipts of bank deposits (stamp tax)	10
Tea and coffee imports	37	Sparkling wine	5
Sugar	35	Minor stamp taxes	10
Dividends and interest (*Talonsteuer*)	27.5		
Matches	25	Total from taxes	475
Increase of state contributions and of proportion of inheritance tax			25
Total additional revenue			500

low, Dr. Bendixen and Professors Wagner, Schmoller, Lamprecht, Brentano, Schanz and von Heckel. A complete list of this literature will be found at the end of volume ii of the publication mentioned at the beginning of this note. *Cf.* also Fritz Schumann, "Die Reichsfinanzreform," in *Finanz-Archiv*, vol. 27 (1910), pages 201–245, followed by a reprint of the successive laws themselves on pp. 246–393. See also Lenschmann, Die Reichsfinanzreform (Berlin, 1909), and A. Hesse, "Die Reichsfinanzgesetze von 1909," in Conrad's *Jahrbücher*, vol. 38 (1909), pp. 721 *et seq.*

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All these were either new taxes or additions to old taxes, with the exception of the taxes on sugar and railroad tickets. As to sugar, a previous law (1908) had provided that the existing tax should be lowered, beginning in 1909, from 14 to 10 marks per 100 kilograms—an estimated reduction of about 35 million marks. The new law of 1909 provided that this reduction should not go into effect until 1914, thus retaining a revenue of 35 millions. In the same way it had been originally decided to drop the tax on railroad tickets, but the new law continued this tax and thus retained 20 millions of revenue.

Of the new or additional taxes, the most important was that on beer. The imperial beer tax had not been applicable to Bavaria, Wurtemburg or Baden, which had reserved the right of levying independent taxes on beer. The law of 1909 not only applied to the whole empire but considerably increased the tax. The old rate of 1.70 marks per hectoliter, changed in 1906 to vary from 1.68 to 2.50 marks, was now raised to 4.30 marks.

In the case of spirituous liquors, the government first endeavored to introduce a fiscal monopoly, reverting to a scheme that had been originally introduced in 1886. When the monopoly project was defeated, it was found desirable not only to increase but to simplify the existing taxes. The South German states had been subject to the imperial taxes on spirits since 1887, but there had grown up a whole code of taxes on raw material, on process and on product (*Maischbottichsteuer*, *Branntwein-Materialsteuer*, *Brennsteuer* and *Verbrauchsabgabe*). Of all these taxes only one, namely the tax on the product itself (*Verbrauchsabgabe*) was retained, but it was now materially increased: from 50–70 marks per hectoliter to 105–125 marks, according as it was within or without the "contingent."[1] The tax was also graduated according to the size of the distilleries, and a distinction was made between agricultural and industrial distilleries.

[1] This "contingent" arrangement is very complicated. When the spirits tax was increased in 1887 to 70 marks per hectoliter of pure alcohol, it was expected that the price would fall because of the falling-off in the demand. In order, therefore, to compensate the distillers, the tax was reduced to 50 marks for a part of the domestic

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In the case of tobacco, the old taxes on leaf were increased, for the uncured leaf from 36 to 45 marks and for the cured leaf from 45 to 57 marks, with the provision that in case of very small fields a tax on the area of the land (four and one-half *pf.* for every square meter) should be substituted. In the case of cigarettes the tax was increased so as to vary from two to fifteen marks per thousand, with separate taxes on cigarette paper and cigarette tobacco. Finally, the import duties on tobacco were considerably increased.

The attempt to levy a general tax on all wine came to a disastrous end. All that could be done was to increase the tax on sparkling wine, which had been imposed in 1902 at the rate of from 10 to 50 *pf.* per bottle, so that from now on the upper limit of the tax was three marks per bottle. Of the other taxes, the stamp tax on securities was raised from the old rate (six-tenths of one per cent to three per cent) to two to five per cent; and the stamp tax on transfers of real estate was increased from one-third to two-thirds of one per cent, to continue until a tax on land increment value should be introduced. In addition to these increases in the old taxes, new taxes were laid on petroleum, six to ten marks per 100 kilograms; on elec-

demand, and the spirits subject to this lower tax were called the "contingent spirits." It was expected that the price of the whole output would conform to the higher tax of 70 marks on the non-contingent part of the supply, and that therefore the domestic distiller would get a bounty of 20 marks on the corresponding part. This bounty was the so-called "love contribution" (*Liebesabgabe*). It was further supposed that if there should be such a change in the domestic demand that none of the 70 marks tax on spirits would be needed, the price would then fall and the bounty disappear.

As a matter of fact there always remained a difference of 20 marks in the price between the contingent and the non-contingent spirits; and, since two million hectoliters were used, the bounty amounted to 40 million marks, the so-called *Vierzig-Millionen Geschenk*. But as the demand fell off, the price did likewise, so that the distillers really made no more than before.

The details of the *Contingentierung* were changed from time to time. In 1887 the contingent was fixed at four and one-half liters per head of population every five years. But this turned out to be unsatisfactory, because the demand for liquor stood in no relation to population. Therefore the *per capita* calculation, which varied the contingent according to the amount of alcohol produced, was modified according to changes in the process of manufacture, the amount of land employed, the size of business *etc.* In 1902 further modifications were made. By the new law of 1909, the total contingent was fixed for two years at 2,309,212 liters of pure alcohol, being apportioned to each state according to a series of complicated rules.

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tric lamps, five *pf.* to one mark per lamp; on matches, one to five *pf.* per box; on checks, ten *pf.*; and on dividends or interest (the so-called *Talonsteuer*), one per cent.[1]

It will be seen that Germany has gone much further than Great Britain in its reliance on indirect taxes. It can hardly be doubted that Germany overshot the mark in refusing to accept the inheritance-tax project. Indeed, it is not at all improbable that before many years have elapsed the original scheme will reappear. But even with the possible adoption in future of the inheritance tax, it is obvious that the great mass of the additional revenue will still come from indirect taxes.

The second point in the new German law was the settlement of the contribution question. It will be remembered that just before the new law went into effect there were no less than three kinds of *Matricular-Beiträge*: first, the "postponed" contributions referred to above; second, the contributions covered by the return grants from the empire to the states; and third, the uncovered contributions, amounting to 40 *pf.* per head.[2] The postponed contributions were now abolished, and the outstanding amount of 144 million marks was assumed by the empire, to be funded into imperial debt. As to the second category, it was provided that there should henceforth be only one class of imperial grants (*Ueberweisungen*), namely, those consisting of the net yield of the tax on spirits mentioned above. Finally, the uncovered contributions were increased to 80 *pf.* per head. Since, however, the individual states were henceforth to retain only one-fourth instead of one-third of the inheritance tax, it was provided that if the excess of contributions over grants amounted to more than a fixed sum, *viz.* 48,512 million marks, the surplus should be defrayed at first out of a loan and then, after April, 1911, out of imperial funds.[3]

[1] The *Talonsteuer* was imposed on *Gewinn-Anteilscheine* and *Zinsbogen* (coupon sheets). The *Talon* is that part of the coupon which entitles the bearer to a series of new coupons when the coupons are exhausted before the due date of the bond.

[2] *Cf. supra*, pp. 578–581.

[3] The excess of such contributions over imperial grants, which had remained at about 24 million marks from 1902 to 1906, rose to 88 millions in 1907, to 150 millions in 1908 and to 232 millions in 1909.

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The third point in the new legislation was the adoption, in principle at least, of an imperial tax on the unearned increment of land. This matter is so important as to deserve a separate section.

IV. *The German tax on unearned increment.*

When this matter came up for discussion in Parliament, it was soon recognized that much time would be needed to work out the details of an adequate law. It was therefore at first decided to accept only the principle of the tax and to postpone the enactment of the law until 1911, filling up the gap in the budget by a temporary stamp tax on sales of real estate. It was found desirable, however, for various reasons, to expedite the preparation of the bill, which was finally enacted into law February 14, 1910.

Hitherto, with few exceptions, increment-value taxes on land had been levied only by municipalities.[1] The tax was first im-

[1] A good account of these taxes will be found in the report by Bernard Mallet, "The Taxation of Increment Value in Frankfort and other German States," in the British Blue Book entitled: Taxation of Land *etc.*: Papers bearing on Land Taxes and on Income Taxes, etc., in certain Foreign Countries, and on the Working of Taxation of Site Values in certain States of the United States and in British Colonies, together with Extracts Relative to Land Taxation and Land Valuation from Reports of Royal Commissions and Parliamentary Committees. Cd. 4750 (London, 1909). Accounts of the earlier development are given by R. Brunhuber, "Taxation of Unearned Increment in Germany," in *Quarterly Journal of Economics*, vol. xxii (1907), pp. 83–106; and by R. C. Brooks, "The New Unearned Increment Taxes in Germany," in *Yale Review*, vol. 16 (1907), pp. 236–261.

In German, the fullest account will be found in the successive numbers of the quarterly *Jahrbuch der Bodenreform*, edited by A. Damaschke; *cf.* especially the article by Professor Adolf Wagner, "Zur Rechtfertigung der Wertzuwachssteuer," in vol. ii (1906). Among the earlier works the most important are: Adolf Weber, Ueber Bodenrente und Bodenspekulation in der modernen Stadt (Leipzig, 1904); R. Brunhuber, Die Wertzuwachssteuer in Praxis und Teorie (Jena, 1905); Wesselski, Die Beteiligung der Stadtverwaltung am Boden-Wertzuwachs (Berlin, 1905); Pabst, Die Idee einer Besteuerung der Konjunctur-Gewinne an Grundstücken und Gebäuden (Berlin, 1906); Baumeister und Jäger, Die Wertzuwachssteuer (Berlin, 1906); J. V. Bredt, Der Wertzuwachs an Grundstücken und seine Besteuerung in Preussen (Berlin, 1907); K. Kumpmann, Die Wertzuwachssteuer (Tübingen, 1907); J. H. Epstein, Zur Verteidigung der Zuwachssteuer (Berlin, 1907); M. Diefke, Die Wertzuwachssteuer (Berlin, 1908). Perhaps the best of all these earlier works is that of D. Boldt, Die Wertzuwachssteuer (3d edition, Dortmund, 1909). Among the later works are those of Keller, Die Besteuerung der Gebäude und Baustellen,

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posed in the German colony of Kiauchau in 1898. When the German government took over that possession, the admiral in charge, von Diederich, was much concerned over the difficulties that had developed in some of the Asiatic colonies, and especially in the cities opened to the world's trade by China in 1895, where a few speculators had bought up much of the land for ridiculously small sums and then held it for sale to Europeans at very high prices. The German government was about to make large outlays in erecting government buildings and constructing harbors, railroad stations and factories. The admiral, foreseeing great rises in land values, thought that it would be desirable for the government to purchase a large part of the land and then sell it to intending purchasers as it might be needed. With this object in view he issued, on the very day of occupancy, November 14, 1897, a proclamation forbidding any transfer of land without the authorization of the government. As the immediate purchase by the government turned out, however, to be impracticable, the admiral contented himself with obtaining from the native holders, by offering them a remission of a certain part of the annual land tax, an option on the land at prices existing at the time of occupation. As the land, however, even if not in possession of the government, was sure to increase in value almost entirely because of the prospective outlay by the government, an official memorial of April, 1898, suggested that no future transfer of land should be permitted without the authorization of the government, which should also participate in the profits. The ideas of the memorial were carried out in the famous land ordinance of 1898.[1] This provided that, whenever any plot of land in the

insbesondere Wertzuwachssteuern (Berlin, 1910); H. Weissenborn, Die Besteuerung nach dem Wertzuwachs (Berlin, 1910); and J. S. Steiger, Die Wertzuwachssteuer in Deutschland und der Schweiz (Zurich, 1910). *Cf.* also Fabrizio Natoli, L'Imposta sull' incremento di valore del suolo urbano (Palermo, 1908).

[1] The Landordnung of Kiauchau is printed in full in the first number of the *Jahrbuch der Bodenreform* (1905), p. 66. A thorough study of the entire matter is made by Dr. W. Schrammler in two articles: "Die Land-Politik im Kiautschougebiet" and "Die Steuerpolitik im Kiautschougebiet," in the same periodical, vol. vii (1911), pp. 1–62, and vol. viii (1912), pp. 1–68. Here will also be found a reprint of the memorial or Denkschrift über Land- und Steuerwesen.

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colony was sold, one-third of the increase in its value, after deducting any improvements in or on the land made by the owner, should be paid to the government; and that, in case the land was not sold, it should be valued every twenty-five years and one-third of any increase in the value be similarly paid to the government. The first was called the direct increment tax (*direkte Zuwachssteuer*), the second the indirect increment tax.

Neither the official who was primarily responsible for the plan nor the admiral who put it in force was acquainted with the theories of either John Stuart Mill or Henry George. The measure was a purely practical one, and was designed not so much to secure fiscal results as to prevent speculation on the part of the Chinese and the acquisition of the best land by private individuals. In fact, the yield of the tax was negligible, the greatest revenue, secured in 1901–02, amounting to only $2004. On the other hand, since the land was sold only to those who guaranteed to build at once, the speculator was effectually discouraged.

The Kiauchau experiment at once attracted the attention of land reformers in Germany. The German Land Reform League petitioned the government to extend the principle to the other German colonies.[1] At the Colonial Congress of 1902 in Berlin the success of the scheme was emphasized, and as a result the possibility of applying the plan within Germany itself began to be discussed in the press.

The situation in Germany was peculiar. The cities were growing with a rapidity exceeded perhaps nowhere in the world, and there was accordingly great opportunity for speculative activity. The German tax system, moreover, played peculiarly into the hands of the speculators. In the first place, although a few cities practise the system of special assessments (*Beiträge*), they are in most cases levied, not as in the United States when the improvements are made, but only when the building is erected. There is thus every inducement to keep the land idle as long as possible. Secondly, the land tax is not

[1] The German Land Reform League issued Zur Landfrage in den Kolonien (1899) and Kamerun oder Kiautschou (1900).

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assessed on the selling value of the land, as in the United States, but on its assessed produce or yield. Moreover, the calculation of the estimated yield of the land used for agricultural purposes is revised only at long intervals, in Prussia, *e. g.*, every fifteen years. As, therefore, the towns rapidly encroach upon the agricultural suburbs, the land continues for a long time to be assessed, notwithstanding its enormous rise in value, according to its assumed produce as so-called "potato land." The result, of course, is to offer every inducement to the speculator to keep land out of use. As a consequence, German towns, especially those of moderate size, have been confronted by a housing problem (*Wohnungsnot*) such as is found nowhere else in the civilized world; for in England the cities have not grown at quite so rapid a pace, and in the United States the practice of assessing the real-property tax on the basis of actual selling value, coupled with the system of special assessments, which imposes a heavy burden on the land before the building improvements are made, effectually prevents the German abuses. In Germany, therefore, since the beginning of the twentieth century, a great literature has arisen on the housing problem, as connected with the fiscal question.[1]

The reform movement assumed two forms. The first was to introduce a tax on the selling value of real estate (*Steuer nach dem gemeinen Wert*), either in place of the existing tax on assumed produce or in addition to it. In a few cities such a tax has now been introduced, although at a far lower rate than is customary in American cities and with correspondingly less effect in removing the evils of the situation.

The second phase of the reform was the introduction of the tax on unearned increment, based on the Kiauchau experiment

[1] *Cf.* Paul Voigt, Grundrente und Wohnungsfrage in Berlin und seinen Vororten (Jena, 1901); Adolf Weber, Ueber Bodenrente und Bodenspekulation in der modernen Stadt (Leipzig, 1904); Fuchs, Zur Wohnungsfrage (Leipzig, 1904); R. Eberstadt, Die Spekulation im neuzeitlichen Städtebau (Jena, 1907) and Handbuch des Wohnungswesens und der Wohnungsfrage (Jena, 1911); K. von Mangoldt, Die städtische Bodenfrage (Göttingen, 1907); O. Gutzeit, Die Bodenreform (Leipzig, 1907); J. von Bredt, Die National-Oekonomie des Boden (Berlin, 1908); Adolf Weber, Boden und Wohnung (Leipzig, 1908); W. Gemund, Bodenfrage und Bodenpolitik (Berlin, 1911).

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described above. The first German city to introduce such a tax was Frankfort a. M., which initiated the system in 1904. In the following year Cologne and Gelsenkirchen, and in 1906 Dortmund and Essen adopted the scheme. From that time on, the movement spread rapidly throughout Germany: by April, 1910, the increment-value tax was found in about 4500 cities and towns, including about one-fourth of the entire population of the German empire. The tax varied in its details from place to place, but the fundamental principles were everywhere similar. As these separate taxes have now all been abolished, it will suffice to call attention to their chief features.

The increased value on which the tax was applied was generally interpreted to mean the difference between the last purchase price and the present selling price. Allowance was almost universally made for expenditures incurred in the improvement of the land and for the cost of new buildings or rebuilding. Allowance was usually made also for a sum equivalent to the stamp tax, the transfer tax and other fees connected with the change of ownership. A further sum was usually allowed representing the interest (not compounded) from the time of the last sale to the present transfer. In some places these sums, especially the cost of improvements, were subtracted from the selling price, while in others they were added to the purchase price. In some places again, where certain parcels of an entire tract owned by a single individual had been sold at a loss, allowance was made therefor, provided that the losing sales occurred at the same time as those that were profitable, or within a limited period previous thereto. In most cases slight increases of value were exempted. The tax applied in general only to increments of value exceeding ten per cent; sometimes, however, it began only at twenty per cent; and in Frankfort only at thirty per cent. The rates were almost always progressive, but the minima and maxima varied greatly. Thus in Hamburg the rates were graduated from one to twelve and one-half per cent, while in Cologne they rose from ten to twenty-five per cent. In Gelsenkirchen the maximum was thirty per cent. The scale of progression, moreover, varied considerably: from one per cent for each ten-per-cent increase of value, as in Cologne, up

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to ten per cent for each five-per-cent increase in value in some other cities. The maximum limits varied still more widely: in Paderborn, for instance, the highest rate (fifteen per cent) was imposed in case of an increase of value of over seventy-five per cent, while in other towns the increase of value taken into account in determining the rate was considerably higher, rising in some cases to two hundred per cent. The highest tax imposed anywhere was thirty per cent, where the increase of value was over one hundred and fifty-five per cent.

Owing to the short time that these local taxes had been in force, the fiscal results were not pronounced. But the taxes approved themselves on the whole to the authorities, and the system was beginning to spread even to the state governments. A bill for a state increment-value tax was introduced in Bavaria in 1909, and in January, 1910, the first state increment tax was established in Lippe-Detmold.[1]

The project of an imperial tax on increment value was first suggested by Dr. Wilms, mayor of Posen, in a speech in the Prussian House of Lords on March 28, 1908. The scheme was at once taken up; a few weeks later it enlisted the support of Professor Adolf Wagner, in a speech at a convention of land reformers. A heated discussion thereupon ensued throughout the country. The project was vigorously opposed by the various local interests that had now come to consider the unearned increment as a valuable object of local taxation. The advocates of the scheme had, however, no difficulty in showing that if site values were the result of the numbers and prosperity of the population, the empire as a whole also contributed to this prosperity and to these numbers; and that in reality no legitimate stopping place between locality and empire existed. The most that the supporters of the project conceded was that the localities had an undoubted right to a large share of the proceeds.[2] The movement in favor of the scheme

[1] *Cf.* "Die erste staatliche Zuwachssteuer," in *Jahrbuch der Bodenreform*, vol. vi (1910), pp. 49–57.

[2] The most important of the works in favor of the scheme were: Dr. Wilms, Die Reichs-Zuwachssteuer (1909); A. Pohlmann-Hohenaspe, Der erste Schritt zu gesunden Finanzen (Leipzig, 1909); A. Damaschke, Zum Kampfe um die Reichs-

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became so strong that in May, 1909, the finance committee of the Reichstag resolved to ask the government to introduce without delay a bill for an imperial unearned-increment tax. Secretary Sydow stated, however, that he must first submit the whole project to the opinion of experts. The judgment of these officials was, on the whole, adverse, and a memorial was submitted in opposition.[1] Notwithstanding this adverse judgment, a bill was introduced and passed in second reading June 23. A few weeks later, however, it was decided to postpone the enactment of the law, and for the time being a stamp tax was substituted. Nevertheless, the law contained a clause that an imperial unearned-increment tax, designed to yield twenty millions of marks, should be introduced, if practicable, by April, 1911, and surely not later than April, 1912.

The prospect of an imperial tax evoked all manner of schemes on the part of the landowners, designed to frustrate or to evade the projected legislation. This, together with the urgency of the fiscal situation, decided the government to expedite matters, and a bill was introduced in April, 1910. It was referred to a committee and, after considerable discussion, became law in February, 1911, but with retroactive force from December 31, 1910.[2]

Zuwachssteuer (Berlin, 1910). *Cf.* also a series of seven articles, written from the point of view of each of the various economic interests, such as agriculture, industry, commerce, building trades *etc.*, in the *Jahrbuch der Bodenreform*, vol. vi (1910), pp. 161–229. The chief arguments in opposition were expressed by Dr. Strutz, Betrachtungen zur Reichs-Zuwachssteuer (Berlin, 1910), and Karl Diehl, "Zur Kritik der Reichszuwachssteuer," in Conrad's *Jahrbücher*, vol. 40 (1910), pp. 289 *et seq.*

[1] This Denkschrift betreffend die reichsgesetzliche Einführung einer Wert-Zuwachssteuer für Immobilien is printed in the *Jahrbuch der Bodenform*, vol. v (1909), pp. 192–203.

[2] The original bill, with the amendments of the commission and of the first and the second reading, is printed in the *Jahrbuch für Bodenreform*, vol. vi (1910), pp. 114 *et seq.* The law can most conveniently be consulted in the *Finanz-Archiv*, vol. xxviii (1911), pp. 817 *et seq.* *Cf.* also the *Jahrbuch für Bodenreform*, vol. vii (1911), pp. 62–85. The law has been published in various annotated editions. The best perhaps is that of Dr. H. Koppe, Das Zuwachssteuer-Gesetz von Feb. 14, 1911, mit den Ausführungs-Bestimmungen des Bundesrats, Preussens, Bayerns und Sachsens (Munich and Berlin, 1911). Good discussions of the new law are those of Dr. G. Strutz, "Die Reichs-Zuwachssteuer vom sozial-politischen Standpunkte," in Braun's *Annalen für Sozial-Politik und Gesetzgebung*, vol. i (1911), no. 1, and of M.

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The new imperial tax replaces all the former state and municipal taxes of the same kind. The law provides that, in the case of the transfer of any property interest in real estate, a tax shall be levied on the increase of value which occurs without the activity of the owner. In this statement two points are to be noticed: the tax is imposed not simply on land values, as in England, but on real estate, thus raising the question of how improvements on land are to be treated. In the second place, the words "without the activity of the owner" raise the question how far the increase of values is due, on the one hand, to the growth of the community or, on the other, to the efforts of the landholder. The small interests of the lower middle class are exempted: the tax does not apply to any interest in real estate of less than 20,000 marks in the case of improved property, or of less than 5000 marks in the case of vacant land, provided always, however, that neither the owner nor his wife had more than 2000 marks income in the preceding year, and provided also that neither of them was engaged in the real-estate business. Other exemptions include associations for building purposes, for colonization and the like, provided that their profits are limited to four per cent. Certain transactions, moreover, are not liable tc tax, such as transfers by inheritance under certain conditions, by marriage settlement, or for the purpose of agricultural improvements, such as the redrawing of boundary lines among scattered strips of real estate (*Flurvereinigung* and *Umlegung*). In order to meet a common method of evading the tax, it is provided that any transfer of securities of a corporation whose assets consist of real estate should be considered a transfer of the land itself.

The increment of value subject to tax is defined as the difference between the purchase price and the selling price. To the

Weyermann, "Die Reichszuwachssteuer vom sozial-politischen Gesichtspunkten," in Schmoller's *Jahrbuch für Gesetzgebung, Verwaltung, und Volkswirtschaft*, vol. 36 (1912), pp. 283–303. *Cf.* also Professor Gustav Cohn, "The Taxation of Unearned Increment in Germany," in *The British Economic Journal*, vol. xxi (1911), pp. 212 *et seq.*; and R. C. Brooks, "The German Imperial Tax on the Unearned Increment," in *Quarterly Journal of Economics*, vol. xxv (1911), pp. 682 *et seq.*, with a translation of the law on pp. 751–765.

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last purchase price, however, the following additions are to be made: (1) Four per cent as representing the original cost of acquisition. If it can be proved that the transfer fees were in excess of this sum, the actual cost may be substituted. (2) The amount of special assessments for opening streets, constructing sewers *etc.*, together with interest at four per cent for not more than fifteen years. (3) If the purchase took place through the foreclosure of a mortgage, the amount of the mortgage is to be added to the equity. (4) All outlays for permanent improvements, together with five per cent on such outlay, or, where the owners are engaged in the building industry, fifteen per cent of such outlay. (5) An additional amount, equal to two and one-half per cent, in the case of certain small properties.[1]

It was in connection with the question of improvements that the chief discussion took place. In some of the municipal taxes, as we have seen, the cost of improvements was subtracted from the selling price, while in others it was added to the purchase price. In many cases this did not make much difference, but in the new imperial tax the rates, as we shall see in a moment, are based on the ratio of the unearned increment to the purchase price of the property plus the cost of permanent improvements and the other additions. It is obvious that if the value of the improvements is added to the cost price, the percentage of increment, and therefore the tax rate, will be much less than would otherwise be the case. In the original draft of

[1] This complicated item is clearly explained by Mr. R. C. Brooks in the essay mentioned in the preceding foot-note. "If the original purchase price and the permanent improvements, taken together, show the property to have cost less than 100 marks an *are* (964 per acre), or three times as much in the case of vineyard land, an amount equal to two and one-half per cent per annum from the time of the purchase in the case of purchase price, and from the time of making improvements in their case, shall be added. In the case of land which, on the same basis, represents a higher value per *are*, there shall be added on such excess, if unimproved, two per cent per annum; if improved, one and one-half per cent. If the period of ownership has been less than five years, and the land has remained unimproved, these additions are reduced one-half" (*loc. cit.* p. 694). The object of these provisions is three-fold: first, to favor agricultural land, and especially vineyard land, where the value of the land is in part due to the efforts of the cultivator; second, to increase the tax on land that is no longer used for agricultural purposes and is "ripe" for building; third, to compensate the landholders for a rise of values which may be in part due to a decrease in the purchasing power of money.

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the bill, the value of permanent improvements was subtracted from the selling price instead of being added to the purchase price. The advocates of this provision supported it on the ground that the increase of value was almost always due to a change in the value of land rather than in the value of improvements. Moreover, it must be remembered that the German law pays no attention to depreciation in the value of buildings. It is perfectly conceivable that where a fairly good house is sold a long time after its purchase, when it has become greatly in need of repair, the increase in the value of the land might be swallowed up by the decrease in the value of the house. In such a case, to permit the owner to add the value of the improvement to the cost price is virtually to exempt him from the tax, notwithstanding the rise in land values. Nevertheless, in the contest that ensued, the landowners succeeded in securing a change in the bill, and the law, as adopted, permits the owner to include the cost of improvements in estimating the purchase price. This, it is obvious, greatly diminishes the rigor of the tax.

From the selling price, on the other hand, it is permissible to deduct, first, the costs of the sale, including fees; second, a compensation for any diminution of value that may occur after January 10, 1911; and third, the amount by which the annual yield on the land, for a period of not more than fifteen years, falls short of three per cent on the original purchase price, including the improvements. This practically frees the holder of vacant land from any tax unless the annual increment of value is more than four or five per cent.

An important section of the law provides that, if the last transfer took place more than forty years previously, the value of the property at a period of forty years before the transfer is to be taken as the purchase price, unless it can be shown that the property commanded a higher value before that period. Furthermore, if the last transfer took place before the year 1885 its value at that date is to be taken as the purchase price.

The rate of the tax depends, as stated above, on the percentage of the unearned increment to the purchase price of the property plus the cost of permanent improvements and the

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other legal additions. Where the increment of value is ten per cent or less, the tax is ten per cent of the increment. The rate increases one per cent for every additional twenty per cent of increment until, on increments of 170 to 190 per cent, it reaches a rate of nineteen per cent. Thereafter, the rate increases one per cent for every additional ten per cent of increment, until it reaches a rate of thirty per cent on all increments of 290 per cent. A diminution of one per cent on the tax, however, is permitted for every year since the last sale; and where the last sale took place before January 1, 1900, this diminution is allowed at the rate of one and one-half per cent annually up to January 1, 1911. This makes the maximum rate diminish with the length of ownership, so that if, for instance, thirty years intervened between the purchase and the sale, the tax rates would be graded from seven to twenty-one per cent instead of from ten to thirty per cent.

The tax is to be assessed by the state authorities in each commonwealth, but under the general supervision of the imperial officials. Of the proceeds fifty per cent goes to the empire and forty per cent to the locality, the remaining ten per cent being reserved by each state to cover the cost of collection. The localities, however, are permitted to levy additions to the tax, with two restrictions: they may not impose more than double their own share, and the total tax imposed in any individual case may not exceed thirty per cent of the increment value.

Contrasting the German with its English analogue, we notice not only its great complication, but the presence, in the endeavor to be just to all interests, of many awkward provisions. The differences may be summarized as follows: the tax is not one on pure land values; second, no allowance is made for depreciation in the value of improvements; third, the concessions to the landowners mentioned above will seriously reduce the fiscal importance of the tax; and fourth, many of the provisions are so complex that they will undoubtedly create difficulty. With all its defects, however, the law is a striking example of progress in the conception of fiscal justice, and an evidence of the influence of modern changes in economic conditions on the forms of taxation.

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If we compare the German reforms as a whole with those in Great Britain, we notice some striking analogies accompanied by no less striking dissimilarities. Both countries have relied for their increasing revenues to a large extent on indirect taxes. Both have developed and perfected their income tax. Both have introduced somewhat similar land taxes. On the other hand, while England has further developed its inheritance tax, the German effort in the same direction was frustrated. *Per contra*, however, the adjustment of the relations between local and central finance has made more progress in Germany than in England. In the case of indirect taxes, the existing British system is, on the whole, superior to the German, both as regards financial results and by virtue of its limitation to imposts that are in the main innocuous from the point of view of business. The British income tax, again, not only compares favorably with the German system in simplicity of administration and in fiscal results, but is more nearly in accordance with the modern theories of ability to pay. In the matter of inheritance taxation Great Britain is far in advance of Germany. The British land taxes, finally, are more comprehensive than the German, and the increment-value tax in particular is both more simple and more in agreement with correct theory. It is only in the single point of adjustment between local and imperial taxation, or, as in Germany, between local, state and imperial taxation, that the British system is inferior to the German. Taking it all in all, therefore, it may be said that while the recent German reforms constitute an undeniable step in advance, many further steps must be taken before the German fiscal system can be declared to be on a level with the English. It is not at all improbable that the coming years have in store for Germany, an improvement in the methods of the income tax and the adoption of a revised and modernized inheritance tax.

V. *Australasia*

The recent tax reforms in Australia and in New Zealand have effected no dramatic changes like those of 1909–10 in England and Germany. The movement in the antipodes has been a continuous progress on lines long before opened. The year

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1910, however, is marked not only by the extension to the Commonwealth of Australia of certain taxes previously reserved for the separate states, but also by some significant changes in the laws of the states themselves. The Australasian movement may be discussed under four heads: (1) the land taxes in the states and in the commonwealth; (2) the exemption of improvements in the localities; (3) the spread of the income tax; and (4) the relation between local and general finance.

The land taxes in Australasia were originally imposed, partly for revenue purposes, but chiefly in order to discourage the formation of large landed estates.[1] The earliest law of this kind was enacted in Victoria in 1877. It provided for a tax on all rural lands over 640 acres in extent and over £2500 in value. It was followed by the South Australia law of 1884, with the introduction of the progressive principle in 1890.[2] In both these cases, however, the taxes were light and produced no appreciable effect on the size of estates. In the other Australian state in which the system was introduced, namely, New South Wales, the object was primarily fiscal, the law of 1895 imposing a tax of one per cent on all unimproved land.

In New Zealand a more vigorous policy was inaugurated: A law adopted in 1891 provided for a tax of one penny in the

[1] The best account of the Australasian land taxes will be found in The Financial Yearbook of the Commonwealth of Australia, 1901–10, by G. H. Knibbs (Melbourne, 1911), especially in secs. vi, xix and xx; and in the New Zealand Official Yearbook, 1911, by M. Frazer (Wellington, 1911). The British Blue Books on the land taxes of Australia and New Zealand, published in 1906–07, were reprinted with additions in 1909, under the title Taxation of Land, etc. (*cf. supra*, p. 586, note). A synopsis of the Australian systems up to 1908 will be found in Seligman, Progressive Taxation (2nd ed., 1908), pp. 94 *et seq.* *Cf.* also W. Pember Reeves, State Experiments in Australia and New Zealand (1902), vol. i, pp. 251–268, and a later article by the same author, "Land Taxes in Australasia," *Economic Journal*, vol. xxi (1911), pp. 513 *et seq.* This article sums up his conclusions published in the blue book mentioned above.

[2] In Victoria the rate was one and one-fourth per cent of the capital value of the land. The land was, however, valued on a pastoral basis, according to sheep-raising capacity, at from £1 to £4 per acre. This, of course, meant an insignificant tax. In South Australia, the law of 1890, still in force, imposes a tax of one halfpenny in the pound on the unimproved value of land, over £240 in value, with an additional halfpenny per pound for any excess over £5000, and with twenty per cent additional for absentees, who are defined as those who have been away from the state for more than one year.

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pound on all land, with an exemption of improvements up to £3000; and, in the case of land of the value of at least £5000, it provided for an additional graduated tax on the value of the land, exclusive of improvements and without deduction for mortgages, the rate rising in fourteen classes until, when the land was worth £10,000, it reached one penny and three farthings in the pound (changed to 2*d.* in the pound in 1893). This made the maximum rate on the largest estates 3*d.* in the pound. This graduated land tax, however, proved ineffective from both the fiscal and the social point of view. Its yield was only £71,000 in 1893, and in 1903, notwithstanding a considerable rise in the value of land, it produced only £79,000. The effect of the law in cutting up large estates was correspondingly slight; it was, indeed, almost imperceptible. It was consequently decided to increase the scale of graduation; and in 1903 an additional tax over and above the ordinary penny rate was imposed on unimproved land, the rate being graduated from one sixteenth of a penny on land values of from £5000–7000 up to 3*d.* (one and one-fourth per cent) on land values of £210,000, with fifty per cent additional for absentees. This change, together with an improvement in the machinery of assessment, increased the yield in the next three years (up to 1906) by about thirty per cent.[1] But while the fiscal results were gratifying, the government was not satisfied with the effect of the law in breaking up large estates. The statistics show that while there had been, up to 1906, a diminution in the estates of over 50,000 acres and a somewhat smaller decrease in the number of estates between 20,000 and 50,000 acres, there had been

[1] The exact figures, as presented in the New Zealand Official Year Book, 1910, p. 662, are as follows:

YEAR	ORDINARY LAND TAX	GRADUATED LAND TAX	ABSENTEES' TAX
1900–01 . . .	£222,353	£71,406	£825
1901–02 . . .	233,545	78,214	1,076
1902–03 . . .	217,307	77,832	923
1903–04 . . .	232,774	98,681	3,536
1904–05 . . .	254,726	94,703	3,425
1905–06 . . .	277,144	104,949	3,663

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virtually no falling-off in estates between 10,000 and 20,000 acres and an actual increase in those between 5000 and 10,000 acres.[1] On the other hand, the increase in the number of the very small plots was largely due to laws independent of the tax system—especially to a scheme inaugurated in 1892, whereby the government purchased large estates in order to lease them in small sections to intending farmers, and to a plan by virtue of which a group of settlers might form a land-settlement association, purchase an estate by means of debentures issued through a public trustee under the guaranty of the government and then subdivide it into plots of not more than 500 acres.

Accordingly in 1907 the government decided to increase substantially the rate of the tax in the case of land values over £40,000, so that the additional graduated land tax now reached two per cent at a maximum value of £200,000.[2] This change led to a considerable increase of the revenue, the yield of the

[1] The New Zealand Official Year Books, 1910, p. 626, and 1911, p. 610, give the following figures, indicating the number of farms of different sizes:

YEAR	5–100 ACRES	100–1000 ACRES	1000–5000 ACRES	5000–10,000 ACRES	10,000–20,000 ACRES	20,000–50,000 ACRES	OVER 50,000 ACRES	TOTAL
1883	14,766	14,267	1281	203	141	83	23	30,764
1886	17,075	15,471	1425	220	151	79	29	34,450
1889	18,805	16,743	1413	221	134	89	27	37,432
1892	19,369	17,538	1558	208	148	84	30	38,935
1902	20,799	20,316	2144	260	123	70	23	43,785
1906	20,900	21,269	2417	278	129	62	13	45,068
1911	21,767	21,924	2753	307	121	39	11	46,922

[2] The scale of the additional taxes on unimproved land value over and above the ordinary penny rate was fixed in 1907 as follows:

LAND VALUES	RATE (PER £)	LAND VALUES	RATE (PER £)
£5,000— 7,000	1-16*d.*	£20,000—22,500	8-16*d.*
7,000— 9,000	2-16*d.*	22,500—25,000	9-16*d.*
9,000—11,000	3-16*d.*	25,000—27,500	10-16*d.*
11,000—13,000	4-16*d.*	27,500—30,000	11-16*d.*
13,000—15,000	5-16*d.*	30,000—35,000	12-16*d.*
15,000—17,000	6-16*d.*	35,000—40,000	13-16*a.*
17,000—20,000	7-16*d.*		

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graduated tax almost doubling in four years, and forming a continually growing percentage of the entire public revenue.[1] Even this, however, did not satisfy the public, and it was provided that, after 1910, on all land other than that used for business premises the graduated scale should be increased by twenty-five per cent. The result is that, in the case of absentees, the total land tax now rises to three and one-half per cent. Whether these increased rates will suffice to attain the objects of the law in greater measure than has hitherto been the case, remains to be seen. The figures of land holding for 1911, as compared with those of 1906, show a decided falling-off in farms of from 20,000 to 50,000 acres, but a virtual stand-still at both extremes, namely in farms over 50,000 acres and in those under 1000 acres, coupled with a substantial increase in the farms between 5000 and 10,000 acres.[2]

What may be called the New Zealand system of land-value taxes has been spreading through other parts of Australasia during the last few years. In a few cases, indeed, the system is still but slightly developed: thus in South Australia, where the rates were increased in 1903 and 1905, the law of 1906 reverted to the original rates of 1896.[3] Again, in New South Wales, after the passage of the Local Government Act of

At a valuation of £40,000 the rate is eight shillings per £100 or two-fifths of one per cent. For every £1000 additional value, the rate increases one-fifth of a shilling, until at £200,000 the rate equals two per cent.

[1] The New Zealand Official Year Book, 1911, pp. 685, 686, gives these figures:

	ORDINARY LAND TAX	GRADUATED TAX	ABSENTEE TAX	TOTAL LAND TAXES	PER CENT OF TOTAL REVENUE
1906–07 . .	£317,175	£125,929	£4,237	£447,342	10.49
1907–08 . .	346,166	186,000	5,680	537,846	10.58
1908–09 . .	389,844	209,248	5,809	604,901	13.82
1909–10 . .	417,668	220,044	4,558	642,270	15.13
1910–11 . .	416,426	209,493	2,804	628,723	13.00

[2] *Cf.* table *supra*, p. 600, note 1.

[3] In 1903 the land tax was fixed at three farthings in the pound, the additional tax on rental values over £5000 remaining at one halfpenny. In 1905 the rates in both cases were made three farthings; in 1906, however, both were reduced to one halfpenny. See p. 115 of the Blue Book, cited *supra*, p. 586, note.

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1906, the operation of the land taxes was to be suspended whenever the shire or municipality should levy a similar local rate of not less than one penny in the pound. As such local rates are now levied almost everywhere in the colony, the revenue from the state tax in New South Wales has virtually disappeared.[1] Finally, in Western Australia, where the tax was introduced in 1907, the rate is only one penny in the pound on land over £50 in value, with a rebate of one-half the tax to the owner of improved land. The year 1910, however, witnessed not only the extension of the land-value tax system to Tasmania and its further development in Victoria, but also the adoption of the scheme by the Commonwealth proper. In the same year there was, as we have seen, a decided steepening of the grade in New Zealand.

In Victoria, although the law of 1910 imposes a rate of only one halfpenny in the pound on land whose unimproved value exceeds £250,[2] the absolute restriction on the valuation of land to £4 per acre, as provided by the law of 1890,[3] has been abolished, thus bringing about a substantial increase in the taxes on more valuable property. In Tasmania an act of 1910 levies a progressive tax on land values, ranging from one penny to two pence halfpenny in the pound.[4]

Most important, however, was the adoption by the commonwealth, in 1910, of a federal tax on land values on the lines of

[1] Between 1902 and 1907 the revenue varied from £300,000 to £350,000 a year. By 1910 the revenue was only £9066. *Cf.* Official Yearbook of New South Wales, 1909–1910, by John B. Trivett, government statistician (Sidney, 1911), p. 336.

[2] As the unimproved value rises above £250 the exemption diminishes at the rate of £1 for every £1 of excess, so as to leave no exemption at all when the land is worth £500.

[3] *Cf. supra*, p. 598, note 2.

[4] The exact rates are as follows:

UNIMPROVED VALUE	RATE (PER £)	UNIMPROVED VALUE	RATE (PER £)
Under £2500 . . .	1*d.*	£30,000—50,000 . .	2*d.*
2500— 5000 . . .	1 1-4*d.*	50,000—80,000 . .	2 1-4*d.*
5000—15,000 . . .	1 1-2*d.*	80,000 and over . .	2 1-2*d.*
15,000—30,000 . . .	1 3-4*d.*		

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the New Zealand scheme. The rate of this federal tax varies from one penny to six pence in the pound in the case of residents, and from one penny to seven pence in the pound in the case of absentees.[1] Although the tax was imposed largely for fiscal purposes, social considerations were by no means lacking.

From the fiscal point of view, the tax still forms a relatively insignificant feature in the federal budget, the yield in 1911 being about £1,370,000 as against over fifteen millions from other sources, chiefly excise and postal revenue. So far as the burden on the landowners is concerned, however, there must be added to this federal tax the state taxes on land.[2] Bearing this in mind, it may be said that the scale in Australia is now higher than in New Zealand.

[1] The exact scales are as follows:

RESIDENTS		ABSENTEES	
VALUES	RATE (PER £)	VALUES	RATE (PER £)
Up to £5000 . . .	exempt	Up to £5000 . . .	1*d.*
5000—15,000 . . .	1*d.*	5000—20,000 . . .	2*d.*
15,000—30,000 . . .	2*d.*	20,000—35,000 . . .	3*d.*
30,000—45,000 . . .	3*d.*	35,000—50,000 . . .	4*d.*
45,000—60,000 . . .	4*d.*	50,000—65,000 . . .	5*d.*
60,000—75,000 . . .	5*d.*	65,000—80,000 . . .	6*d.*
Over 75,000 . . .	6*d.*	Over 80,000 . . .	7*d.*

[2] The yield of the land tax in the Australian states for the past few years is as follows:

	1905–06	1907–08	1909–10
New South Wales	£336,785	£178,889	£9,066
Victoria	103,536	89,496	114,357
South Australia	94,601	93,762	94,126
Western Australia	. . .	11,140	34,344
Tasmania	54,776	57,742	79,021
Total	589,698	431,029	330,914

Official Yearbook of the Commonwealth of Australia, 1901–1910, no. 4 (Melbourne, 1911), p. 840.

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In both cases the social results may be expected to be more appreciable in the future, especially so far as the largest estates are concerned. Two and one-half to three per cent on land values is equivalent to fifty per cent on the income—an obviously prohibitory tax. Whether the tax will turn out to be destructive of large holdings will depend chiefly on the general conditions of prosperity and on the rise in the value of the land. If land values rise faster than the amount of the tax, the influence of the law will continue to be slight. If, however, there be a slackening in the rise of land values, the effect of the tax will soon be apparent.

Of more general interest to American readers is the second phase of Australian fiscal development, that of the exemption of improvements from the local tax on real estate. For the adequate discussion of this subject, however, a separate section is needed.

EDWIN R. A. SELIGMAN.

(*To be continued.*)

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MARXISM VERSUS SOCIALISM. VII[1]

XII

IN the first part of the present study it was pointed out that, whatever rôle Marx's theory of value may have played in his economic system, his socialism was not based upon that theory but rather upon the inevitable development of economic tendencies. Accordingly, as long as the relation of Marx to socialism was the primary object of our inquiry, to discuss at the outset his theory of value would have been to confuse the issue. Having disposed of the economic tendencies that were to lead to socialism, we can now consider what socialism stands to gain from this particular theory.

In a sense, any such consideration is rather superfluous. There are few theories that have been so carefully examined, so thoroughly sifted, and so completely condemned upon their own documentary evidence as Marx's theory of value. And since the appearance of the third volume of *Capital* we have in our hands what may be called a signed confession of Marx and Engels to the effect that this theory is a futile construction. Half of a lifetime Marx spent in constructing a gigantic Chinese puzzle; its solution was promised to us in the future, in the third volume of *Capital*. The day finally came, and the solution was shown to us: Marx solved the puzzle by breaking it.

What was this famous theory of value? The socially necessary amount of labor time incorporated in the production of a commodity, we were told, is what constitutes its value. But if, for example, an Indian builds a canoe and exchanges it for a dog that never fails on a deer hunt, would Marx's law of value govern the exchange of the dog for the canoe? Not at all. Marx is investigating capitalist production, the production of commodities *for the market*, and the economic laws peculiar to that mode of production—peculiar, that is, to modern times.

[1] For earlier parts of this study see POLITICAL SCIENCE QUARTERLY, vol. xxiii (1908), pp. 193-219, 652-689; vol. xxiv (1909), pp. 236-268, 641-666; vol. xxv (1910), pp. 393-419; and vol. xxvii, pp 73-91.

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From the very start it was a distinctive feature of Marx's economic theory—a feature not shared by him with his classical predecessors—that universal abstract economic laws do not exist; rather does every historical period have laws of its own. Historically, therefore, the operative power of Marx's law of value was limited to the modern period of capitalist production.[1] It did not apply to wares that were subject to accidental exchange, but only to wares produced by hired labor for sale in the market. This historical limitation imposed by Marx upon his law of value the reader will please bear in mind.

What proof does Marx offer that the labor time congealed in the commodity is what constitutes its value? This very concrete law of value, which is historically circumscribed and limited, is not proven to us by equally limited and circumscribed concrete historical observations, but by abstract reasoning *sub specie æternitatis*. We may say that Marx is literally rushing in where Aristotle feared to tread. Aristotle wondered considerably about exchange. He reasoned: 5 beds = so much money is the same as 5 beds = 1 house. Hence the value of every commodity can be expressed in terms of some other commodity taken at random. But "exchange can not take place without equality, and equality not without commensurability." Aristotle wondered how things so obviously different as commodities may be can be commensurable. He decided that they can not be qualitatively commensurable. Hence the equalization that exchange may establish is but "a makeshift for practical purposes."[2]

[1] Marx, Capital, vol. i (English translation, 1891), p. xxviii. *Cf.* Diehl, Sozialwissenschaftliche Erläuterungen zu David Ricardos Grundsatzen der Volkswirtschaft, p. 97: "Im Gegensatze zu Ricardo hat Marx sein Wertgesetz nur für eine bestimmte Phase des Wirtschaftslebens aufgestellt, oder anders ausgedrückt: bei Marx hat das Wertgesetz nur *historische*, bei Ricardo *allgemeine* Bedeutung; wo immer Menschen wirtschaften, tauschen sie auch—meint Ricardo—nach dem Arbeitswerte. Demnach war das Wertgesetz für Ricardo ein allgemeines 'ewiges' Gesetz für alle Formen und Epochen des Wirtschaftslebens. Ganz anders bei Marx: Marx kennt allgemeine 'ewige' Wirtschaftsgesetze überhaupt nicht, sondern nur Gesetze für bestimmte Produktionsverhältnisse. Das Wertgesetz sollte nur Gültigkeit haben für die Periode der Warenproduktion. Also nicht für Gebrauchsgegenstände, wie Ricardo meint, sondern nur für die Waren gilt das Wertgesetz." *Cf. infra*, pp. 613, 617, 618.

[2] Capital, vol. i, p. 28.

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The logical problem thus abandoned by the master himself, Marx undertook to solve twenty-odd hundred years later in the spirit of the Aristotelian scholastic.[1] He begins with a random equation: one quarter of corn = x hundredweight of iron.

What does this equation tell us? It tells us that in two different things —in 1 quarter of corn and in x cwt. of iron—there exists in equal quantities something common to both. The two things must therefore be equal to a third, which in itself is neither the one nor the other. Each of them, so far as it is exchange value, must therefore be reduced to this third.[2]

This reasoning is interesting. Having thus convinced himself that every exchange equation of two commodities is in reality a sublimated *mênage à trois*, Marx argues as follows:

This common something can not be either a geometrical, a chemical, or any other natural property of commodities. Such properties claim our attention only in so far as they affect the utility of those commodities, make them use-values. But the exchange of a commodity is evidently an act characterized by a total abstraction from its use-value. As use-values, commodities are, above all, of different qualities, but as exchange values they are merely different quantities, and consequently do not contain an atom of use-value. If then we leave out of consideration the use-value of commodities, they have only one common property left, that of being products of labor. . . . There is nothing left but what is common to them all; all are reduced to one and the same sort of labor, human labor in the abstract. Let us now consider the residue of each of these products; it consists of the same unsubstantial reality in each, a mere congelation of homogeneous human labor, of labor-power expended without regard to the mode of its expenditure. All that these things now tell us is that human labor is embodied in them.

[1] I do not wish to be understood as speaking lightly of either Aristotle or the master-minds of the scholastic. I gladly believe that no one in modern times has equaled them in logic. But the reason why they became such artists in the use of the syllogism was because it was the sole instrument at their disposal. The chaos of facts and the order of tabulated experience was not theirs to deal with. Hence theirs were complete and perfect natural philosophies, while to us was given a natural science in all its incompleteness and imperfection. Our several economic theories, alas, are still quite logical, quite complete and quite perfect.

[2] Capital, vol. i, pp. 3, 4.

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When looked at as crystals of this social substance, common to them all, they are *values*.[1]

Thus we see that Marx is dealing with the economic phenomena as a mediæval scholastic, and as such he is not only solving the economic problem of value but is also answering the metaphysical query after the substance of all things. Our nineteenth-century materialist in the garb of a thirteenth-century schoolman shows us in a dim metaphysical light the true noumenon of all phenomena.

A critique of this method of reasoning would have been called for had Marx offered us a theory of value as a mental construction, a *Hülfsbegriff*; but he is not presenting us with a theory of value but with a law of value, a law governing the exchange of commodities. The concrete quality of this law makes the test very simple. The question is simply: "Is or is not this law of value operative in actual practice?"

Marx informs us that the price is but the money expression of value: "The expression of the value of a commodity in gold," he tells us, "is its money-form or price."[2] The law of value that governs these prices Marx compares with the law of gravity. "In the midst of all the accidental and ever-fluctuating exchange relations between the products, the labor-time socially necessary for their production forcibly asserts itself like an overriding law of nature. The law of gravity thus asserts itself when a house falls about our ears."[3] It is important to notice that this statement is reiterated in the third volume.

> Whatever may be the way in which the prices of the various commodities are first fixed or mutually regulated, the law of value always dominates their movements. If the labor time required for the production of these commodities is reduced, prices fall; if it is increased, prices rise, other circumstances remaining the same.[4]

The law of value always determines the prices.[5] In fact, to use Marx's own expression: "A price which is different in quality

[1] Capital, vol. i, pp. 4, 5.
[2] *Ibid.* vol. i, p. 66.
[3] *Ibid.* vol. i, p. 46.
[4] *Ibia.* vol. iii, p. 208.
[5] *Ibid.* vol. iii, p. 244.

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from value is an absurd contradiction." "The concept of price really signifies the value of some use-value expressed in money."[1] These and similar plain assertions make the problem of testing the Marxian theory of value relatively simple. But before we inquire whether his law stands the test, let us proceed to the second and perhaps more original part of the theory.

The capitalist, the owner of money, must buy commodities at their value, and then he must sell them at their value, yet at the end of the process he must draw out more money than he put in. How is this problem to be solved? How is profit made? This question is answered as follows: there is one commodity, labor power, which is purchased on the market like all other commodities at its value, but the capitalist extracts from it surplus value.

In order that labor power may be freely offered on the market, the owner of this commodity, the laboring man, must be a free man, who may dispose at will of his labor power, *i. e.* his person. The second historical condition for the existence of labor power as a commodity is the existence of a proletariat class, that is of people that possess labor power, but none of the means and instruments of production; or, as Marx puts it:

> The second essential condition to the owner finding labor-power on the market as a commodity is this—that the laborer, instead of being in the position to sell commodities in which his labor is incorporated, must be obliged to offer for sale as a commodity that very labor-power which exists only in his living self.[2]

Now if the capitalist pays on the market the value of labor power, what is the value of this curious commodity, and how is it to be determined? According to Marx:

> The value of labor-power is determined as in the case of every other commodity by the labor-time necessary for production of this special article. Labor-power exists only as a capacity or power of the living individual. . . . For his maintenance he requires a given quantity of the means of subsistence. Therefore the labor-time requisite for the production of labor-power reduces itself to that necessary for the produc-

[1] Capital, vol. iii, p. 417. [2] *Ibid.* vol. i, p. 147.

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tion of those means of subsistence; in other words, the value of labor-power is the value of the means of subsistence necessary for the maintenance of the laborer.[1]

Parenthetically, the reader is urged to keep in mind that Marx is here presenting us with a cost-of-subsistence theory of wages.

The value of labor power thus resolves itself into the value of a definite quantity of means of subsistence. It therefore varies with the value of these means or with the quantity of labor requisite for their production.[2] Let us assume that the value of labor power, thus determined, is three shillings a day, which three shillings the capitalist pays his laborer for his labor power. But, argues Marx, if the capitalist should make the laborer work only as many working hours as are embodied in the production of the labor power he has purchased—let us say four or five or six hours—no surplus would arise. The four or six hours of work, as the case may be, would not add to the finished product of the laborer any greater value than the three shillings which the capitalist has paid in wages. No profitable business could be carried on in this way; hence, according to Marx, while the capitalist pays to the laborer the three shillings, which is equivalent, let us say, to six hours of labor, he makes the laborer work the whole day—let us say, twelve hours. Thus the laborer produces not only the three shillings which he has received in wages, but an additional three or more shillings, which is surplus value for the capitalist.

From the viewpoint of the capitalist, however, the surplus value thus produced by the laborer is by no means clear profit for the employer.

Production requires capital. Capital engaged in production Marx divides into *constant* and *variable* capital. Constant capital is that part of the capital that is invested in the means of production—building, machinery, material *etc.*—which produces as such no surplus value. Variable capital is capital invested in the purchase of labor power, in hiring workmen. Only this portion of capital is productive of surplus value.

[1] Capital, vol. i, p. 149. [2] *Ibid.* vol. i, p. 151.

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If a certain productive enterprise requires £410 of constant capital and £90 of variable capital, and the rate of surplus value on the variable capital is 100 per cent or £90, the capitalist is receiving £90 of surplus value on a total investment of £410 + £90 = £500, or 18 per cent. If, on the other hand, the branch of industry is one in which the value of the implements and material used is slight, if the constant capital used is but £10 and the variable capital £90, and if the surplus value is again £90, then the rate of surplus value is the same, 100 per cent, but the rate of profit to the capitalist on his whole investment of £100 is 90 per cent.

It is therefore evident that in various industries, in which the rate of surplus value is the same, the rate of profit will vary in accordance with the composition of the capital concerned, in accordance with the ratio of constant capital to the variable capital employed. The higher the ratio of variable capital, the higher will be the rate of profit; and, *vice versa*, the higher the ratio of constant capital, the lower will be the rate of profit. In industries which require little or no machinery and raw material of slight value, together with a great deal of human labor power, the rate of profit will be very high. On the other hand, the larger the investment in machinery and material, the slighter the proportion of labor power used, the smaller will be the profit; since it is solely living human labor from which surplus value can be derived.

If the Marxian theory is true, industries resting primarily on human labor must produce a proportionately higher rate of profit than enterprises in which the ratio of constant capital is high. Yet Marx himself admits that experience shows that the rate of profit of the various industries is entirely independent of the inner composition of capital employed in these various industries. A railroad which represents an enormous investment of constant capital and a relatively slight proportion of variable capital may give the same rate of profit as a district messenger company or any other enterprise in which the largest amount of capital is spent on wages. In fact there is a general tendency to an average rate of profit. This tendency is admitted by Marx. But if an average rate of profit be admitted,

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how can it be claimed that the Marxian law of value is to operate like the law of gravity? On the face of it this admission seems to invalidate the whole theory of value.

This was the puzzle that Marx promised to solve. Attention was drawn to the difficulty by Engels himself, in 1885, in the preface to the second volume of *Capital*, in which he challenged the economists to solve the problem how "an equal average rate of profit can and must come about, not only without a violation of the law of value, but by means of it."[1] That was the Chinese puzzle, the solution of which was advertised to appear in the third volume of *Capital*.

The third volume finally appeared. It is a most important document, because it forever disposed of the famous exploitation theory of value. It is a signed admission that the theory is worthless. Not only is Marx compelled to abandon it, but the way in which he does it is forced and ungracious; he shifts his ground and abandons in all haste not only his theory of value, which is untenable, but also his historical method, which would have ensured even to his failure the renown of a great attempt. Professor Loria asked, after reading this third volume of *Capital*, if there ever was a more complete *reductio ad absurdum*, a greater theoretical bankruptcy, or if a scientific suicide was ever committed with greater pomp and solemnity?[2] The historical curiosity of Professor Loria, I fear, has remained as yet unsatisfied.

[1] "Nach dem Ricardo'schen Wertgesetz produciren zwei Kapitale die gleich viel und gleich hoch bezahlte lebendige Arbeit anwenden, alle andere Umstände gleich gesetzt, in gleichen Zeiten Produkte von gleichem Werth und ebenfalls Mehrwerth oder Profit von gleicher Höhe. Wenden sie aber ungleiche Mengen lebendiger Arbeit an, so können sie nicht Mehrwerth oder wie die Ricardianer sagen, Profit von gleicher Höhe produciren. Nun ist aber das Gegenteil der Fall. *Thatsächlich produciren gleiche Kapitale, einerlei wie viel oder wie wenig lebendige Arbeit sie anwenden, in gleichen Zeiten durchschnittlich gleiche Profite.* Hier liegt also ein Widerspruch gegen das Wertgesetz vor, den schon Ricardo fand, und den seine Schule ebenfalls zu lösen unfähig war. . . . Die Oekonomen also, die in Rodbertus die geheime Quelle und einen überlegenen Vorgänger von Marx entdecken wollen, haben hier eine Gelegenheit zu zeigen, was die Rodbertus'sche Oekonomie leisten kann. Wenn sie nachweisen, wie *nicht nur ohne Verletzung des Wertgesetzes, sondern vielmehr auf Grundlage desselben eine gleiche Durchschnittsprofitrate sich bilden kann und muss, dann wollen wir weiter mit einander sprechen.*" Marx, Kapital, vol. ii (Hamburg, 1893), p. xxii.

[2] *Nuova Antologia*, February, 1895, p. 479.

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Marx's law of value of the capitalist mode of production, which in the first volume was presented as a natural law, like the law of gravity, is nullified in the third volume by capitalist competition. The capitalist does not care for the organic composition of his capital investment. It is immaterial to him whether he has invested £90 in constant capital and £10 in variable capital, or whether his capital investment is composed of £10 constant + £90 variable capital. In either case he has invested £100, and upon the sum total of his investment he expects a return. Different as the organic compositions of the various capital investments may be, "a difference in the average rate of profit in the various lines of industry does not exist in reality, and could not exist without abolishing the entire system of capitalist production."[1] Apparently, then, the theory of value is irreconcilable at this point with the actual process, irreconcilable with the real phenomena of production, so that we must give up the attempt to understand these phenomena. In the first part of this volume it is admitted that the cost prices are the same for products of different spheres of production, in which equal portions of capital have been invested for purposes of production, regardless of the variable composition of such capitals. The cost price does not show any distinction between variable and constant capital as regards the return to the capitalist. A commodity for which he must advance £100 in production costs him the same amount, whether he invests £90 *c.* + £10 *v.*, or £10 *c.* + £90 *v.* He always spends £100 for it, no more, no less. The cost prices are the same for investments of the same amounts of capital in different spheres, no matter how much the produced values and surplus values may differ. The equality of cost prices is the basis for the competition of the invested capitals, by which an average rate of profit is brought about.[2]

[1] It was with a theoretical analysis of capitalist and no other kind of production that Marx dealt in his Capital, and the "laws" he promulgated were to be laws of capitalist production. *Cf.* Capital, vol. i, pp. xxviii, 146, 147. It should be noted that the subtitle of the authorized English translation of the book is: "A critical analysis of capitalist production."

[2] Capital, vol. iii, pp. 181, 182.

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This is a formal retreat to the classical cost-of-production theory of value. The statement that the price is but the money expression of value and the assertion that commodities exchange according to their values are simply dropped. Instead, we are told that in reality the average rate of profit on the entire cost of production is maintained, regardless of the so-called organic composition of capital. In reality, therefore, the commodities are sold either above or below their value.

Some economists, after hearing of the final solution of Marx's value problem, called the whole Marxian construction a mystification. After the much-heralded new natural law—his own law of value—we are told in the third volume that the price has nothing to do with value. "The price of production of a commodity, then, is equal to its cost price plus a percentage of profit apportioned according to the average rate of profit, or, in other words, equal to its cost-price plus the average profit." [1]

If the value of the product does not regulate the price of the product, if the profit of the capitalist is determined, not by the surplus value extracted by him, but by the average rate of profit that he gets on the sum total of the cost of production, then the first volume of *Capital* might as well never have been written. The reader might have been spared all the near-Aristotelian metaphysical chase after the *tertium comparationis*, that is defined as neither one thing nor another but as an unsubstance, as a jelly (*Gallerte*) of human labor, and as ruling all exchange and establishing all equations under the name of value. Marx affirmed that his law of value was a working law; it did not prove to be so, and he admitted it; but the blame he put not upon the law he had discovered, but upon the perversity of mankind, who act without any understanding for the innermost meaning of things as revealed by Marx.

If it is realized—and the reader will have realized it to his great dismay—that the analysis of the actual internal interconnections of the capitalist process of production is a very complicated matter and a very protracted work; if it is a work of science to resolve the visible and external movement into the internal actual movement, then it is under-

[1] Capital, vol. iii, p. 186.

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stood, as a matter of course, that the conceptions formed about the laws of production and circulation will differ widely from these real laws and will be merely the conscious expression of the apparent movements. The conceptions of a merchant, a stock-gambler, a banker, are necessarily quite perverted. Those of the manufacturer are vitiated by the acts of circulation, to which their capital is subject, and by the compensation of the general rate of profit.[1]

How then, one would ask, does Marx reconcile his law of value with the above admissions?

He tells us that if we take the sum of all capital investments in their aggregate as one product, then the product in its aggregate, and only in its aggregate, will sell exactly at its value. But the products of a single capitalistic enterprise do not sell at their values. Why not? Because, says Marx:

If the commodities are sold at their value, then, as we have shown, considerably different rates of profit arise in the various spheres of production, according to the different organic composition of the masses of capital invested in them. But capital withdraws from spheres with low rate of profit and invades others which yield a higher rate. By means of this incessant emigration and immigration, in one word, by its distribution among the various spheres in accord with a rise of the rate of profit here, and its fall there, it brings about such a proportion of supply to demand that the average profit in the various spheres of production becomes the same, so that values are converted into prices of production.[2]

Does the reader realize what Marx has proved by this statement? Squarely and clearly and forcibly Marx states here, and proves it to us, that commodities exchange *not* in proportion to the labor they contain. In other words, the theory of value as originally formulated by Marx is false. But we are told the sum of the prices of all production is equal to the sum of their values. This statement has no meaning whatsoever, because the sole meaning of a theory of value is that it is to explain to us the relations and proportions of exchange. The profound thought that the totality of all production is equal to the sum total of all products is not exactly adapted to revolu-

[1] *Ibid.* vol. iii, p. 369.

[2] *Ibid.* vol. iii, pp. 230, 231.

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tionize the thinking world. Let me quote Böhm-Bawerk's reply to this statement of Marx:

There can clearly only be a question of an exchange *relation* between different separate commodities *among each other*. As soon, however, as one looks at all commodities *as a whole* and sums up the prices, one must studiously and of necessity avoid looking at the relations existing inside of this whole. The internal relative differences of price do compensate each other in the sum total. For instance, what the tea is worth more than the iron the iron is worth less than the tea and *vice versa*. In any case, when we ask for information regarding the exchange of commodities in political economy, it is no answer to our question to be told the total price which they fetch when taken altogether, any more than if, on asking by how many fewer minutes the winner in a prize race had covered the course than his competitor, we were to be told that all the competitors together had taken twenty-five minutes and thirteen seconds.

The state of the case is this: To the question of the problem of value the followers of Marx reply first with their law of value, *i. e.* that commodities exchange in proportion to the working time incorporated in them. Then they—covertly or openly—revoke this answer in its relation to the domain of the exchange of separate commodities, the one domain in which the problem has any meaning, and maintain it in full force only for the whole aggregate national produce, for a domain therefore in which the problem, being without object, could not have been put at all. As an answer to the strict question of the problem of value, the law of value is avowedly contradicted by the facts, and in the only application in which it is not contradicted by them it is no longer an answer to the question which demanded a solution, but could at best only be an answer to some other question.

It is, however, not even an answer to another question; it is no answer at all; it is simple tautology. For, as every economist knows, commodities do eventually exchange with commodities—when one penetrates the disguises due to the use of money. Every commodity which comes into exchange is at one and the same time a commodity and the price of what is given in exchange for it. The aggregate of commodities therefore is identical with the aggregate of the prices paid for them; or, the price of the whole national produce is nothing else than the national produce itself. Under these circumstances, therefore, it is quite true that the total price paid for the entire national produce coincides exactly with the total amount of value or

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labor incorporated in it. But this tautological declaration denotes no increase of true knowledge, neither does it serve as a special test of the correctness of the alleged law that commodities exchange in proportion to the labor embodied in them. For in this manner one might as well, or rather as unjustly, verify any other law one pleased—the law, for instance, that commodities exchange according to the measure of their specific gravity. For if certainly as a "separate ware" 1 lb. of gold does not exchange with 1 lb. of iron, but with 40,000 lbs. of iron; still, the *total price* paid for 1 lb. of gold and 40,000 lbs. of iron *taken together* is nothing more and nothing less than 40,000 lbs. of iron and 1 lb. of gold. The total weight, therefore, of the total price —40,001 lbs.—corresponds exactly to the like total weight of 40,001 lbs. incorporated in the whole of the commodities. Is weight consequently the true standard by which the exchange relation of commodities is determined?[1]

How fundamentally untenable is Marx's theory is shown by Engels' desire to shift the historical setting of the whole proposition. Such an attempt is already suggested by Marx himself in his third volume of *Capital*.[2] Engels takes up Marx's suggestion and informs us that Marx's law of value was generally valid economically from the beginning of all recorded history down to the fifteenth century.[3] For thousands of years commodities exchanged in the ratio of the labor value they contained, even if they do not exchange so now. This period extended, according to Engels, for anywhere from five to seven thousand years but ended some five centuries ago! This explanation is pathetic. Marx definitely and crisply informed us that his law was valid only for the capitalist mode of production, for the period of the manufacture of commodities for the

[1] Böhm-Bawerk, Karl Marx and the Close of His System (New York, 1898), pp. 72–75.

[2] Capital, vol. iii, p. 156.

[3] "Das Marxsche Wertgesetz hat also ökonomisch allgemeine Giltigkeit für eine Zeitdauer, die vom Anfang des die Produkte in Waaren verwandelnden Austausches *bis ins fünfzehnte* Jahrhundert unserer Zeitrechnung dauert. Der Waarenaustausch aber datirt von einer Zeit, die vor aller geschriebenen Geschichte liegt, die in Aegypten auf mindestens dritthalbtausend, vielleicht fünftausend, in Babylonien auf viertausend, vielleicht sechstausend Jahre vor unserer Zeitrechnung zurückführt; *das Wertgesetz hat also geherrscht* während einer Periode von fünf bis sieben Jahrtausenden." Fr. Engels, Letzte Arbeit: Ergänzung und Nachtrag zum dritten Buch des "Kapital." *Die Neue Zeit*, Jahrg. XIV, 1896, vol. i, p. 39.

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highly developed market, where exchange is not accidental and is impersonal.[1] Furthermore this historical period was limited to those times in which there has been a free proletariat class—free as to their persons, equal to their employer before the law, but having for sale no other commodity but their labor power. Or, as Marx puts it:

> Labor-power can appear upon the market as a commodity, only if, and so far as, its possessor, the individual, whose labor-power it is, offers it for sale, or sells it, as a commodity. In order that he may be able to do this, he must have at his disposal, must be the untrammeled owner of, his capacity for labor, *i. e.*, of his person. He and the owner of money meet in the market and deal with each other on the basis of equal rights, with this difference alone, the one is buyer, the other is seller; both therefore equal in the eyes of the law.[2]

Marx's entire theory is thus an analysis of capitalist production; and now, when the collapse of his law of value is too obvious to be discussed, we are told that if the law is not true for capitalist production it was nevertheless true for the period preceding the fifteenth century, *i. e.* for the periods of domestic economy, of barbarism, of slavery, of serfdom—in short, for any period except the one where in Marx's scheme it would have had some meaning and importance.

At first glance it may look as if Marx faced the *débâcle* only when he tried to solve the problem of the average rate of profit in his third volume of *Capital*. A close examination will show, however, that he was quite aware of the situation while writing his first volume. The collapse of his law of value is already there. Only look at his theory of wages. Marx tells us that labor power is a commodity and its value is determined like that of any other commodity:

> The value of labor-power is determined, as in the case of every other commodity, by the labor-time necessary for the production, and consequently also the reproduction, of this special article. So far as it has value, it represents no more than a definite quantity of the average

[1] Capital, vol. iii, p. 209. *Cf. supra*, pp. 606, 613.

[2] *Ibid.* vol. i, p. 146.

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labor of society incorporated in it. Labor-power exists only as a capacity, or power of the living individual. Its production consequently presupposes his existence. Given the individual, the production of labor-power consists in his reproduction of himself or his maintenance. For his maintenance he requires a given quantity of the means of subsistence. Therefore the labor-time requisite for the production of labor-power reduces itself to that necessary for the production of those means of subsistence; in other words *the value of labor-power is the value of the means of subsistence necessary for the maintenance of the laborer*.[1]

This is a clear-cut statement of the cost-of-subsistence theory of wages and is quite in accord with Marx's value theory. But is this the theory of wages that Marx maintains? Not at all. He declares himself as a strenuous opponent of the iron law of wages, as we have pointed out in a preceding section of the present study.[2] The cost-of-maintenance theory is quite abandoned in his final reserve-army and increasing-misery theory of wages. At times the price of labor power is much above the cost of maintenance, only too often much below that cost, but "in proportion as capital accumulates, the lot of the laborer, be his payment high or low, must grow worse."[3] Under no circumstances does Marx's law of value regulate the price of the commodity, labor power. It is regulated, according to time, by the competition of the reserve army of the unemployed with those employed. And this reserve army of unemployed, this relative surplus population, is created by machinery, the "labor-saving" device invariably called in by capital as soon as the margin of surplus value pressed out by the capitalist becomes narrow.[4]

So here again prices are regulated, not by the law of value, but quite independently of that law. Thus we see that the so-

[1] *Ibid.* vol. i, p. 149.

[2] POLITICAL SCIENCE QUARTERLY, vol. xxiv, pp. 237–250.

[3] Capital, vol. i, p. 661.

[4] For additional substantiation of the conflict between Marx's law of value and his theory of wages, *cf.* the extremely just and learned study of Diehl, "Ueber das Verhältnis von Wert und Preis im ökonomischen System von Karl Marx," in the Festschrift zur Feier des 25-jährigen Bestehens des staatswissenschaftlichen Seminars in Halle (Jena, 1898), especially chapter 4: "Wert und Preis der Arbeitskraft."

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called great central doctrine—the law of value—is but a bubble, admittedly without any validity in concrete economic experience and even without continuous cohesion as a mental construction. If the reader so chooses, he may disregard all hostile criticisms of the doctrine. All he has to do is to follow Marx, and he will arrive at the complete destruction of Marx's own central doctrine.

XIII

Marx's theory of value came to grief.[1] But let us assume for argument's sake that this law of value is as valid as the law of gravitation. What does socialism stand to gain from such an assumption? If the law of value is true, then all accumulated capital is an accumulation of unpaid labor, then all profit is but realized exploitation, then the character and meaning of wage slavery is fully explained. Then the injustice of the capitalist mode of production is so palpable and so appalling that the abolition of private ownership of means of production is a moral necessity. This is precisely what is being said now by so many socialists. This is precisely what has been said in the past; and it is precisely this attitude of mind that led Marx to differentiate himself from his socialist forerunners and to preach a system of his own. The most original

[1] Marx, as a mere youngster, in discussing Szeliga's mysteries of speculative construction, ridiculed in advance the logical construction of his own future theory of value. He had not then written about an unsubstantial reality of things or about commodities as a jelly of abstract human labor, but he might almost have been discussing the mysteries of his own theory of surplus value when he wrote: "Wenn ich mir aus den wirklichen Aepfeln, Birnen, Erdbeeren, Mandeln, die allgemeine Vorstellung 'Frucht' bilde, wenn ich weiter gehe und mir *einbilde*, dass meine aus den wirklichen Früchten gewonnene abstracte Vorstellung: 'die Frucht' ein ausser mir existirendes Wesen, ja das wahre Wesen der Birne, des Apfels etc. sei, so erkläre ich—speculativ ausgedrükt—'die Frucht' für die 'Substanz' der Birne, des Apfels, der Mandel, etc. Ich sage also, der Birne sei es unwesentlich Birne, dem Apfel sei es unwesentlich Apfel zu sein. Das wesentliche an diesen Dingen sei nicht ihr wirkliches, sinnlich anschaubares Dasein, sondern das von mir aus ihnen abstrahirte und ihnen untergeschobene Wesen, das Wesen meiner Vorstellung, 'die Frucht.' Ich erkläre dann Apfel, Birne, Mandel etc. für blosse Existenzweisen, '*Modi*' der 'Frucht,'" *etc.* Friedrich Engels and Karl Marx, Die heilige Familie oder Kritik der kritischen Kritik: Gegen Bruno Bauer and Consorten (Frankfurt a. M., 1845), p. 79; reprinted in Literarischer Nachlass, vol. ii, p. 156.

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and most lasting contribution of his was his conception of economic necessity. "Justice, Humanity, Liberty *etc.* may have called a thousand times for this or for that, but if it is impossible, it will never be realized and will remain but an empty dream."[1] For empty dreams he had little respect; and as such dreams he regarded all humanitarian and utopian socialism and all social reform. "These gentlemen," he said, "hate thinking, heartless thinking, as they hate struggle and development. As if any thinker, Hegel and Ricardo not excluded, had even been so heartless as to slop over our heads such soft-mouthed slobber."[2] The reader can find many such sentiments expressed by Marx about his idealistic contemporaries.[3]

Even real slavery Marx regarded as a necessity, under given economic conditions. He was by no means an abolitionist. So he wrote in 1847: "Without slavery you have no cotton, without cotton you cannot have modern industry. It is slavery which has given their value to the colonies, it is the colonies which have created the commerce of the world, it is the commerce of the world which is the essential condition of the great industry."[4] Several years later we find him repeating the same argument, and also explaining under what conditions he expected the disappearance of slavery.

This fact, however, goes straight back to the only possible and practical solution of the slave question, that again has caused so many long debates in Congress. Cotton production in America rests upon slavery. As soon as the industry has reached such a development that it refuses to put up with the American monopoly of cotton, just so soon will the production of cotton in large quantities be a success in other lands, and practically everywhere at the present time this can be done only through free labor. But as soon as free labor in other lands produces

[1] Literarischer Nachlass, vol. iii, p. 249.

[2] "Wie die Entwicklung und den Kampf, so hassen die Herrn das Denken, das herzlose Denken—als ob irgend ein Denker, Hegel und Ricardo nicht ausgenommen, je die Herzlosigkeit erreicht hätten, mit der dem Publicum dieser weichmäulige Spülicht uber den Kopf gegossen wird!" Literarischer Nachlass, vol. iii, p. 476.

[3] See for instance what he had to say about the early New York socialist Hermann Kriege; Literarischer Nachlass, vol. ii, pp. 415, 416.

[4] The Poverty of Philosophy (1900), p. 90.

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cotton as extensively and as cheaply as slave labor in the United States, the American monopoly of cotton and American slavery will together be broken, and the slaves will be emancipated because they have become useless as slaves. Similarly will wage labor in Europe be done away, as soon as it has become not only an unnecessary part of production but even a fetter upon it.[1]

We are dependent upon our industry, Marx explained, and we are not in a position to dictate humanitarian conditions upon which production is to rest. As a revolutionary socialist he argued at times like Nassau Senior. He was, as a matter of fact, against the ten-hour bill, because he feared that the famous factory act might cripple British industry. So we read:

The whole social development of England is part and parcel of the development and progress of industry. All institutions that stop this progress, or limit it, or regulate it according to external plans, are reactionary, impossible, and have to succumb. The revolutionary forces that so easily had their way with the whole patriarchal society of England, with the landed aristocracy and with the financial aristocracy, will surely not let themselves be hemmed within the limits of the ten-hour bill.[2]

Marx in course of time changed his hostile attitude toward the factory acts and toward labor legislation in general, as his inaugural address before the International in 1864 plainly indicates; but his attitude towards the "demand for justice" remained the same. When, in 1875, the German social democracy adopted a program in which it based its demands upon "just distribution," Marx criticized that program bitterly and asked in derision: What is "just distribution"? Does not the bourgeoisie regard the present mode of distribution as "just"? And is it not, as a matter of fact, the only "just" distribution on the basis of the existing mode of production? Does not every socialist sect have different conceptions as to what may constitute a "just" distribution? The law governing distribution is dependent upon its economic basis and cannot be of a higher type than the economic development of society may justify.[3]

[1] Literarischer Nachlass, vol. iii, pp. 458, 459.

[2] *Ibid.* vol. iii, p. 392.

[3] *Die Neue Zeit*, 1890, vol. i, pp. 565, 566.

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For the so-called ideas of eternal justice Marx had a distinct aversion, for two obvious reasons. First of all, these ideas were but touched-up and beautified reflections of very temporary conditions. So he wrote about the utopian schemes of the English socialist Bray:

Mr. Bray does not see that this equalitarian relation, this *corrective ideal*, which he wishes to apply to the world, is itself nothing but the reflection of the existing world, and that it is in consequence quite impossible to reconstitute society on a basis which is only an embellished shadow. In proportion as this shadow becomes substance, it is seen that this substance, far from being the dreamed-of transfiguration, is nothing but the body of existing society.[1]

The other objection of Marx to the appeal to justice as a means of reconstructing society is that this appeal, while interesting and symptomatic, is as a whole utterly futile. Have we not heard, asked Marx, that appeal for eighteen hundred years, and what is the net result? [2]

A clever advocate of orthodox Marxism, Dr. Luxemburg, calls the principle of justice the good old Rosinante, upon which every Don Quixote of the world's history has taken a ride, to return finally home with nothing but a black eye to show for his trouble.[3]

This attitude of Marx and Engels is expressed in unmistakable language in every important work of theirs, in their earlier as in their later writings. Engels emphasizes it clearly in his *Anti-Duehring*.

If we have no better security for the revolution in the present methods of distribution of the products of labor, with all their crying antagonisms of misery and luxury, of poverty and ostentation, than the consciousness that this method of distribution is unjust and that justice must finally

[1] The Poverty of Philosophy, p. 53.

[2] Literarischer Nachlass, vol. ii, p. 416.

[3] "Da sind wir glücklich bei dem Prinzip der Gerichtigkeit angelangt, bei diesem alten seit Jahrtausenden von allen Weltverbesserern in Ermangelung sicherer geschichtlicher Locomotionsmittel gerittenen Renner, bei der klapprigen Rosinante, auf der alle Don Quichotten der Geschichte zur grossen Weltreform hinausritten, um schliesslich nichts anderes heim zu bringen, als ein blaues Auge." Luxemburg, Sozialreform oder Revolution (1899), page 45.

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prevail, we should be in evil plight and would have to stay there a long time. The mystics of the Middle Ages, who dreamed of an approaching thousand-years kingdom of righteousness, had the consciousness of the injustice of class antagonisms. At the beginning of modern history three hundred years ago, Thomas Muenzer shouted it aloud to all the world. In the English and French bourgeois revolutions, the same cry was heard and died ineffectually.[1] . . . This appeal to morality and justice does not bring us a step further scientifically. Economic science can find no grounds of proof in moral indignation, however justifiable, but merely a symptom. . . . The feeling stirred up by the poets, whether in picturing these social wrongs or by attack upon them or, on the other hand, by denial of them and the glorification of harmony in the interests of the dominant class, is quite timely, but its slight value of furnishing proof for a given period is shown by the fact that one finds an abundance of it in every epoch.[2]

I might go on quoting *ad infinitum* from Marx and from Engels, but their point of view is quite clear. And how could Marx's attitude towards the "appeal to justice" be different? His fundamental proposition was that all legal and political institutions, all ideologies, all our ideas of justice *etc.* are dependent on the economic basis. Development of economic conditions, shifting of the economic basis, will affect and change prevailing ideas of law and justice. It is the economic conditions, the forces of production, that drive society and influence individuals; our ideas of good and evil are but products of these basic forces. How then could Marx now turn about and expect that these ideologies, which are subject to constant change, should influence, much less reconstruct, the basic economic conditions? Marx could not assume the sovereign rule of forces of production, he could not assume that our future is definitely revealed to us by economic tendencies, and yet grant that these economic tendencies are mere clay to be modeled by any ideological conception of our own.

"Eternal" justice was to Marx an object of derision. The ideas of justice are constantly changing, changing from time to time, from people to people. Our ideas of social justice are

[1] Engels, Landmarks of Scientific Socialism (Anti-Duehring), pp. 182, 183. *Cf.* also pp. 123, 127, 128, 131.

[2] *Ibid.* p. 180.

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quite different from those of the Roman world, different from those of the feudal world, different even from those of our grandfathers; and those that will be held by our grandchildren are bound to be different from ours. These ideas change with the changes in economic conditions. Righteous indignation may accompany profound economic changes, but it does not produce or create those changes. That is why Marx expected his socialism and his social revolution to be the result of the development of economic forces—a development indicated and revealed to us by the existing economic tendencies, which, in his opinion, were leading to the "expropriation of the expropriators," the social revolution and the new social order.

In an earlier part of the present study,[1] I tried to point out how much Marx overestimated the significance of his economic interpretation of history. It has other more fundamental faults. Even granted that all changes in our ideologies are produced by economic changes, the ideologies themselves are by no means explained. Granted that economic conditions influence and affect religious beliefs, the theory does not account for religious beliefs as such. To take a more concrete and simple example: let us grant that economic conditions are responsible for the longer legs of the western-plain horseback Indian and for the shorter legs of the eastern canoe Indian; the existence of *legs* as such, short or long, is still hardly explained by economic conditions. At best, therefore, only the *change* of something can be explained by the change of the economic conditions, but not the "something" itself. If that is true, who is to tell us how much of the development is due to the inner momentum or life of that "something" itself, quite independently of all economic conditions?

The profound influence of economic forces no intelligent man will deny. We are quite prepared to admit that, in so far as forecasts of the future are at all legitimate, such forecasts or rather approximate estimates are possible only upon the basis of economic tendencies, without overlooking, however, the conservative influence of deeply rooted traditions.

[1] POLITICAL SCIENCE QUARTERLY, vol. xxiii, pp. 214–219.

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We have seen that present economic tendencies do not justify the expectation of a collapse of the capitalist mode of production, nor do they herald the coming of a socialist commonwealth. This has become quite obvious to all serious and open-minded socialists of Europe. They were socialists and Marxists, they accepted the propositions of Marx, because his keen analytical critique eliminated all previous utopian schemes and all other types of socialism. They accepted Marx's very plausible statement that the economic tendencies he described must lead to socialism. But these tendencies have not persisted, and no one in his senses can assume that an increasing number of independent and well-to-do farmers presages the coming of socialism. Such a tendency is making a socialist commonwealth less possible than ever.

We have seen that there was actually not a tendency left to which socialists who were willing to look squarely at facts could pin their faith. More than that, the Marxian doctrine had become a trap for socialism; the clear-headed knew, the many felt, that this doctrine, to use the Marxian phraseology, "from a means of development had turned into a fetter." If it is only through the inevitable economic tendencies that we can be led to socialism, and if such tendencies begin to indicate anything but socialism, then socialism is not to be reached at all.

Is this not precisely what the successor and follower of Marx, Karl Kautsky, himself said? Did he not tell us, in his *Erfurter Program*, that so long as a peasant remains a peasant he will adhere, no matter how ill he may fare, to private ownership of the means of production?[1] Did not this same Kautsky, in attacking Bernstein, clearly formulate the situation? In discussing Bernstein's facts and figures, in 1898, he admitted:

> If they are true, then not only is the day of our victory postponed, but we can never reach our aim. If capitalists are on the increase and not the propertyless, then development is setting us back further and further from our goal, then capitalism intrenches itself and not socialism, then our hopes will never materialize.[2]

[1] Kautsky, Erfurter Program (1892), p. 180.

[2] Protokoll der Stuttgarter Parteitags, 1898, p. 128.

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Bernstein was quite right in his figures, and Kautsky was quite right in his statement. It meant that the great system of scientific socialism, which Marx had built up with so much learning and acumen, had become an arsenal of arguments against the coming of socialism. Who could deny that Marx's realistic theory was the terrific force that had organized, uplifted, unified the socialist movement throughout the world? Precisely this very force had now turned against international revolutionary socialism.

The spokesmen and thinkers of scientific socialism have realized the situation, and for them the last decade or so has been a period of attempts to escape from an untenable position. First of all, attempts were made to interpret Marx, to tone him down, to twist his statements so that they might not contradict too glaringly the very obvious facts. Nearly all the surviving orthodox Marxists belonged to this category. But theirs was a losing fight. It was a slow retreat before the incoming tide of revisionism.

Revisionists call themselves socialists, they are members of the Socialist party; and, if not today, then tomorrow, they will control the theoretical platform of the German Socialist party as completely as they already control its practical policies. Barring Kautsky, nearly every socialist scholar of merit belongs to that wing; barring Bebel, who has often sided with them, nearly every practical leader of note is actually a revisionist, whether or not he accepts the designation. Of socialism they have preserved only the name; they are social reformers. Bernstein, who inaugurated the revisionist movement, frankly admits in his book, *Die Voraussetzungen des Socialismus*, that the goal of socialism—the socialist commonwealth—means nothing to him, while the social movement means everything.

Bernstein has grave doubts whether the state can ever take over the great industries. In fact, he gives excellent reasons why they can not be taken over by the state[1]; and he points

[1] "Kann man Weltindustrien verstaatlichen? Was würde das heissen? Kann der moderne Staat Werke übernehmen, deren Geschäfte zum grossen Teil spekulativer Natur sind? Werke, die mit ihren Erzeugnissen und Ausführungsmöglichkeiten auf dem Weltmarkt als Konkurrenten auftreten und im Kampf um Absatz und Aufträge alle die schönen Eigenschaften der modernen Konkurrenz entwickeln? Und wenn

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out how utterly impossible it would be for workingmen to take over what the state can not possibly handle. Industries expropriated in a revolution would prove to be empty shells, utterly worthless to the revolutionary proletariat.

It is obvious that this is the point of view of a social reformer. It would be a misnomer to call it socialism, were it not for the fact that there is no room left for real socialism in our present-day economic development.

Interesting is the history of another distinguished Marxist leader, Peter von Struve. He introduced Marxism into Russia and, together with Tugan-Baranovsky, became one of the chief exponents of Marxism in that country. Struve had to pass through precisely the same development as Bernstein. Their views today are very much alike; but while Bernstein is the leader of the "socialists" in Germany, Struve does not call himself any longer a socialist, but is one of the leaders of the Constitutional Democratic party. In their theory, in their hopes for the future, in their practical policies, these two men are as alike as two peas; but one is called a socialist, the other

der Staat das weder will noch kann, kann man es darauf ankommen lassen, diese Geschäfte, die in der modernen Volkswirtschaft einen so grossen Platz einnehmen, die zusammen ganze Armeekorps von Arbeitern beschäftigen und auf deren Leben ein grosser Teil des Wohlstandes des Volkes beruht, könnte man es darauf ankommen lassen, sie, weil der Staat sie nicht kurzerhand übernehmen kann, in einer gesellschaftlichen Katastrophe dem Verfall zu überliefern? Es müssen ganz andere Mittel und Methoden zur Anwendung kommen, um sie allmälig unter stärkere Kontrolle der Gesellschaft zu bringen, die nur nach und nach dazu gelangen kann, sie vollständig zu beherrschen. Das haben u.a. in einer wirklichen revolutionären Bewegung die Arbeiter in den russischen Industriezentren sehr zu fühlen bekommen. . . . Wenn ich nicht irre, hat Kautsky in seinem Vortrag, den er hier in Holland über den Morgen nach der Revolution gehalten hat, die Idee entwickelt, dass die freiwillige Preisgabe der Fabriken von Seiten der Fabrikanten eine der ersten Folgen der Revolution der Arbeiterklasse sein würde, und dass die Fabrikanten in der geschilderten Weise sagen würden: 'Wohlan, nehmt die Fabriken hin, aber lasst uns zufrieden!' Gewiss, das ist sehr wohl möglich, und ich gebe zu, die Expropriation würde auf diese Weise sehr billig kommen. Die Frage ist nur: Sollen oder können dann die Arbeiter die Fabriken, die der Staat nicht übernehmen kann, ihrerseits übernehmen und mit Erfolg weiter betreiben? Und nach allem, was wir bisher darüber gesehen haben, kommen wir notgedrungen zu der Folgerung, dass die Arbeiter die Fabriken weder werden übernehmen wollen noch können. Die so billig expropriirten Fabriken würden in einer Revolution leere Hülsen sein." Bernstein, Der Revisionismus in der Socialdemokratie (Amsterdam, 1909), pp. 23–25.

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a Liberal Democrat. Twenty years ago both of them were revolutionary socialists. If we turn to Italy, we find the same situation. The venerable Professor Ferri, who for decades led the Italian socialists as a scholar and a politician, found himself compelled to admit that socialism had lost its meaning; and since he was not willing to call himself a Marxian socialist when he had become a social reformer, he frankly abandoned both socialism and his party.

But there is no necessity to quote luminaries and great leaders. What is true about them is true about the every-day socialist worker. Mr. Walling, an ardent revolutionary socialist, writes in his recent book: "There can be no doubt that Socialist reformism has become very widespread. . . . It is doubtless true, as Mr. Gompers says, that the individuals he questioned have practically abandoned their Socialism, even though they remain members of the Socialist parties."[1]

Whether they call themselves revisionists, reformists, laborites or plain socialists, whether they go on repeating the old melodramatic phrases or not, the overwhelming majority of the socialists of today are tending to be reformers. Their Marxian training does not permit them to be utopians, and their faith in socialism as an inevitable economic necessity is rapidly evaporating, the economic facts being what they are.

On the other hand, revisionism, which amounts to social reform, to gradual betterment, with hope for the future but without any promises as to the final outcome, has failed to satisfy those who have expected an immediate and final solution of the social problem. Temperamentally irreconcilable to mere social reform, yet admitting the untenability of scientific socialism, they required a different revision of Marx. Men of this fanatical temperament had to become revolutionary revisionists, and this temperamental demand has been supplied in the Latin countries by the so-called "syndicalism."

George Sorel, Ed. Berth, Leone, Labriola and other syndicalists are very interesting critics of Marx, and I am sorry that I cannot find room for their criticisms in this study. To me, however, syndicalism seems more interesting than important.

[1] Walling, Socialism as It Is, p. 121.

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Acutely disturbing as the movement may be, it is, in my opinion, likely to prove ephemeral. In fact, its leaders Sorel and Berth have already abandoned it and exchanged it for—monarchism! When invited to an Italian Syndicalist Congress in December, 1910, M. Sorel replied that, in his opinion, syndicalism had not realized what was expected from it. Many hoped that the future would correct the evils of the present hour, but he felt himself too old to live in distant hopes; and he had decided to employ the remaining years of his life in the deeper study of other questions which keenly interested the cultivated youth of France.[1]

Now that the socialist parties have become in reality reform parties, they may become even tamer than they are today; but why should they give up the old phrases? Talk about the "social revolution" may sound fantastic, in view of the existing economic conditions and tendencies, but it is more than talk. The inevitable cataclysm and the social revolution have a mystical quality, and hence they are assets. A social movement that is quite sensible, quite reasonable is the wildest of all utopias. Such a movement can no more keep alive without faith, than faith can keep alive without miracles, wrought or prophesied. The social revolution that is to come has all the essential characteristics of the standard miracle: it is to be sudden, and it is to be final. What element of the miraculous would there be in a slow but steady convalescence? And how unsatisfactory a miraculous cure would be if it had to be repeated! Social reform cannot arouse the passionate ardor that is kindled by the apocalyptic vision of the social cataclysm. The road of social reform is flat and dusty; the journey along it is hard and dull. It is a wise instinct, therefore, that moves the socialists who have become social reformers to cling to their earlier vision and chant, as of old, their imprecatory psalms. But the contrast between their policies and their theories, between what they do and what they say, tempts one to say of them, inverting the Biblical quotation: "The hands are the hands of Jacob, but the voice is the voice of Esau."

VLADIMIR G. SIMKHOVITCH.

[1] Levine, The Labor Movement in France, pp. 151, 152.

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RUSSIAN–AMERICAN COMMERCIAL RELATIONS

A YEAR ago, in December 1911, President Taft, with the consent of Congress, took steps to terminate the treaty of commerce concluded in 1832 between the United States and Russia. The one-year period that must elapse after notice given by either party, before the treaty terminates, is drawing to its close, and no new treaty has been negotiated. Had the United States given notice to any other nation that a commercial treaty eighty years old was no longer satisfactory and was to be terminated, there can be little doubt that a new treaty would have been concluded with reasonable promptness, and that no disturbance of commercial intercourse would have occurred. In the case of Russia, not only has the commercial problem been crossed and complicated by political disputes of a character especially distasteful to that power, but a close investigation indicates the existence of economic conditions which may cause the Russian government to hesitate before entering into any new treaty with the United States, even though commercial questions alone be involved. It is perhaps worth while, in the existing situation, to examine these conditions and also to consider the effect which the absence of any commercial treaty with Russia may have upon American commerce.

I

In many respects Russia and the United States are much alike. Each occupies the largest territory on its continent, and these territories are fairly equal in extent. Both have vast areas of very fertile lands and rich mineral resources. Until a recent period the population of both countries has been largely engaged in agricultural pursuits, and their main foreign commerce has been the exportation of the products of their soil and mines and the importation of manufactured articles. The climate in both countries is also very similar, and, as a result, the principal exports from both were until late years largely of the same products. To what an extent this has been the case

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may be seen from the following table of exports of products of farm, forest, fisheries and mines from Russia and from the United States to other countries in 1910.

EXPORTS OF NATURAL PRODUCTS OF UNITED STATES AND OF RUSSIA IN 1910

EXPORTED FROM UNITED STATES			EXPORTED FROM RUSSIA	
REFERENCE PAGE [1]	VALUE	ARTICLE	VALUE	REFERENCE PAGE [2]
1996	$1,521,622	Bran and bran flour	$12,617,500	232
2005	785,771	Butter	26,204,232	"
2005	441,017	Cheese	178,105	"
1995	25,427,993 1,147,568	Corn and corn meal	9,869,460	"
1998	1,260,468	Eggs	32,799,835	"
1998	312,784	Feathers and down	825,545	"
1999	9,652,088	Fish and roe	3,221,165	"
2000	14,501,635	Furs and peltry	7,710,065	"
2000	1,738,216	Hides and skins	8,887,355	"
1995	4,081,157	Horses	239,475	"
2000	1,637,019	Iron ore	6,627,020	"
2004	12,195,403	Meat and cattle	2,548,220	
1995	12,200,154		1,967,815	"
2006	5,277,181 6,302,418	Mixed oils and naptha	14,573,470	"
2005	9,901,726	Naval stores.	959,445 1,204,070	"
1995	794,307 521,658	Oats and oatmeal	32,787,475	"
2006	19,251,012	Oilcake and oilseed	16,293,055 12,150,395	"
2005	599,548	Poultry	7,543,720	"
2009	7,870,985	Sugar and molasses	142,140 4,373,895	"
2010	14,570,064 37,282,072 12,080,962	Timber, lumber and logs	70,879,450	"
2009	4,207,319	Vegetables	1,822,070	"
	$205,562,147		$276,424,977	
1995 1996	47,806,598 47,621,467	Wheat and wheat flour	214,575,265	

Moreover, until the last three or four decades, each nation, while developing with great rapidity, had comparatively little

[1] References in this column are to Bureau of Statistics, Monthly Summary of Commerce, June, 1911.

[2] The reference in this column is to Daily Consular and Trade Report, no. 241 (October 14, 1911).

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home capital and was therefore compelled to finance most of its requirements abroad. Under these circumstances, there was little to promote direct commerce between the two nations, each producing mainly what the other had for sale. Moreover the means of communication between them were very poor, so that almost the only commerce possible was such as passed through other countries. As a result, twenty years ago the direct exports from the United States to Russia were only $7,764,012 and its imports from Russia but $4,729,778.[1]

Within the last thirty years, however, great changes have taken place in both countries. Great business development in the United States has added vastly to its investment capital, until it has become one of the world's richest nations. This has also tended enormously to increase its manufacturing industries, and, as their output is rapidly exceeding the home necessities, a great increase in exports of manufactured goods has resulted, although its exports of agricultural and mineral products still remain very large.

During the same period Russia also has grown very rapidly. The fecundity of the Russian nation is most astonishing: during the census period from 1897 to 1908, although it lost 1,521,950 by emigration, the population of European Russia increased from 114,847,043 to 139,078,400, or about 22 per cent—a growth which has scarcely been exceeded by that of the United States, notwithstanding the enormous immigration to the latter. During this eleven-year period it is estimated from the official reports and census tables that the births in European Russia exceeded the deaths by 26,992,674.[2] Thus Russia's growth through natural increase exceeded that of the United States during the period stated. This rapid growth, by far the greatest portion of which was in the peasant or farming class, resulted in great congestion, especially in the more fertile central provinces, where the population is now far denser than in any rural portion of our own eastern or central states. This congestion, which has been the cause of most of the famines to which

[1] Statistical Abstract of the United States, no. 17 (1894), p. 70.

[2] Statesman's Year Book, 1908, p. 1412.

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Russia formerly seemed subject, resulted in the migration of many of the peasants to cities and the consequent development of manufacturing industries on a large scale.

The great majority of the Russians are peasants, over 80 per cent being farmers. Prior to their emancipation in 1861 they had been serfs. After that event allotments averaging about seven acres of land were made to each peasant, which were to be paid for in long-time instalments. But the rapid growth of families made these farms too small to support their owners, and much suffering resulted. In 1884 a Peasants' Land Bank was established to assist them in purchasing more land, and finally in 1905 the government entirely remitted all balances remaining on the original allotments. In 1906 the Duma authorized the sale of public lands to the peasants on small payments extended over a long term of years. As a result of these wise measures and of consequent larger crops, the peasants are becoming more prosperous. Their economic progress has been greatly aided by the introduction of American agricultural implements, which are rapidly coming into use, especially among those who have bought larger farms.

Among the manufacturing industries of Russia which have made great progress of late years, an especially prosperous undertaking has been the production of cotton goods. The city of Lodz in Poland, which had a population of 50,000 in 1872, had grown to 393,526 in 1908—a rate of growth which has scarcely been exceeded by any city of its size in the United States. It has 76,670 people working in its 361 textile-fabric mills, on cotton, woolen, linen and silk goods, but mainly on cotton, the aggregate output of which in 1911 was valued at about $97,500,000.[1] In this industry, accordingly, the city of Lodz compares very favorably with the entire state of Rhode Island, in which in 1910 the aggregate production of cotton and woolen goods was valued at $124,913,000.[2] One single cotton mill near the city of Tver, probably the largest in the world, employs

[1] Encyclopædia Britannica, article "Lodz," p. 862. Garkany, Yevreiskaya Entziklopediya (St. Petersburg, 1912), p. 330. Bielschowsky, Die Textilindustrie des Lodzer Rayons (Leipzig, 1912).

[2] Advance Bulletin of United States Census, Manufactures of Rhode Island, p. 4.

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25,000 people,[1] and Moscow, Jaroslav and other cities also have large cotton factories. In 1911 there were in operation in Russia 151 mills with 8,672,137 spindles, consuming about 1,596,000 bales of cotton.[2] The number of spindles has greatly increased in the past ten years, and Russia's cotton industry is now exceeded only by that of England, the United States and Germany and is still growing rapidly. In 1909 there were 840,520 workpeople employed in the European Russian textile fabric industries, as against some 881,128 in the United States in 1910.[3]

II

These industrial changes have brought about a great increase in the commerce between Russia and the United States, and, because of the earlier and more rapid development of the latter country, the increase has been greatly to its benefit. Thus the exports from the United States to Russia, which twenty years ago were $7,764,000 and in 1901 were $9,590,000,[4] were officially stated in the Russian reports for 1910 at $38,055,040.[5] These reported figures, however, do not correctly represent the actual movement, because direct shipments from the United States to Russia are very difficult. There is but one regular steamship line to Russia, which plies between New York and Riga on the Baltic Sea. Shipments to southern Russia through Black Sea ports are largely dependent upon occasional freight steamers. As a result, a great portion of the American exports are made through English or German mercantile houses, are transhipped or forwarded by them, and are then reported in Russia as imports from England or Germany. This is especially the case with cotton, 304,200 bales of which were credited in official reports as imported from England or

[1] Meakin, Russia, Travels and Studies (London, 1906), p. 70.

[2] Russian Year Book, 1912, pp. 137, 141.

[3] Russian Year Book, 1912, p. 700. United States Bureau of Census, Bulletin, Manufactures, 1910, p. 39.

[4] United States Bureau of Statistics (January 1, 1912), Trade between United States and Russia.

[5] As communicated by the consul general of the United States in Russia; *cf.* United States Daily Consular Reports, no. 241 (October 14, 1911), p. 226.

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Germany, although over 80 per cent of that amount was American cotton.[1] In the same way, large amounts of leather, agricultural implements, hardware, typewriters, automobiles and other American manufactures reached Russia through Germany and were credited as imports from Germany. After correcting the official figures by comparing them with reports of American consuls and with Russian and German reports, our exports to Russia in 1910 would seem to have been at least $65,869,356. That this estimate is not immoderate is proven by the report of Consul-General Snodgrass at Moscow, published October 14, 1911, in which he says:

> The approximate trade of the United States with Russia can be conservatively estimated at $70,000,000 in round figures, so that it actually ranks second among Russia's suppliers, as Great Britain exports many American articles, such as cotton, machinery and the like, which, subtracted from the aggregate, would place it third on the list.[2]

On the other side, the imports into the United States from Russia, which, as stated above, were $4,729,728 in 1891, had grown to $14,927,591 in 1910[3]—a much smaller proportionate growth than that shown by the American exports. Of these relatively small imports, by far the largest portion consisted of hides, fur and wool.

This growth of commerce between the two countries is summarized in the following table:

YEAR	EXPORTS TO RUSSIA	IMPORTS FROM RUSSIA	TOTAL COMMERCE
1891	$7,764,012	$4,729,778	$12,493,790
1910	65,869,356	14,927,591	80,796,947
Increase	58,105,344	10,197,813	68,303,157

This certainly is an exceedingly satisfactory exhibit for the United States, showing as it does a growth of nearly 750 per

[1] United States Daily Consular Reports, no. 241 (October 14, 1911), p. 229.

[2] *Ibid.* p. 226.

[3] *Ibid.* p. 227.

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cent in the American exports and of nearly 550 per cent in the total trade of the two nations during a period of twenty years.

A closer examination reveals many features in this commerce which are worthy of careful attention. In 1891 much the larger part of the American exports, over 80 per cent in fact, consisted of raw cotton. Even at the present time American cotton is by far the largest item in Russia's import trade. But meanwhile a very satisfactory trade has been built up in our manufactured goods.

Among these, agricultural implements stand foremost. Of late years, and especially since measures have been taken by the Russian government to increase the size of the peasants' farms, every effort has been made to teach them better methods of cultivation. Special instruction in improved farming is now being given in many provinces. The use of fertilizers has been introduced, and many of the provincial legislatures (*zemstvos*) have appropriated funds to purchase agricultural machinery for cash and to sell them to the peasants on deferred payments. Moreover the large crops raised during the last four years and the high prices at which they have been sold have wonderfully improved the condition of great numbers of peasants and have enabled them to purchase the most modern class of farming implements, discarding those which had been in use since time immemorial. There are now 1500 agricultural associations of peasants, formed to teach them better farming methods, to procure better implements and live stock, and to improve their living conditions.

The value of the agricultural implements and machinery shipped direct from the United States to Russia in 1911 was $8,126,145.[1] But in addition large quantities were shipped to England and Germany and then reëxported to Russia, so that an estimate of $11,000,000 would probably be less than the true amount.[2] In addition binder twine valued at $1.765,371 was exported direct.[3] Altogether, therefore, the exports of

[1] United States Bureau of Statistics (January 1, 1912), Trade between United States and Russia.

[2] United States Daily Consular Reports, no. 282 (December 2, 1911), pp. 1111, 1116, 1118, 1121, 1125.

[3] *Cf. loc. cit.* note 1 *supra*.

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American agricultural implements and supplies to Russia in 1911 were about $13,000,000, or nearly double our entire direct exports of every character to Russia twenty years ago. Of the entire exports of agricultural implements and machinery from the United States in 1911 to all countries, which were valued at $35,973,000,[1] it will be seen that Russia took more than one-third. Russia is, in fact, by far our best customer for these manufactures, better even than Canada or the Argentine.

The business of the larger American agricultural-implement houses in southern and central Russia and in Poland has been well organized. They have branch offices in ports on the Black Sea and on the Sea of Azov, with agencies in every government or province, and their success has been most gratifying. In 1910 the International Harvester Company made sales amounting to $4,000,000 through its Odessa agency, and two other firms, handling reapers, threshers and engines, were completely sold out before the end of the season, having handled their largest year's business.[2] One agency in Poland made sales of $900,000 during the year. At the port of Windau on the Baltic Sea, a port of call of the Russian-American steamship line from New York, the direct imports of agricultural implements and machinery from the United States in 1910 were valued at $5,506,638.

Another large item in American exports is leather. Although the treasury reports show but $813,031 exported to Russia in 1911,[3] the actual exports, largely through England and Germany, were probably over $3,500,000. The city of Warsaw, which is a very large producer of all classes of leather goods, consumed in 1910 70,000 pieces of American patent leather. Four Polish firms imported about $1,000,000 worth of glazed American kid during the year, and the trade is steadily growing. The entire imports to Poland were estimated at $2,500,000.

[1] United States Bureau of Statistics, Monthly Summary Commerce, June, 1911, p. 1995.

[2] United States Daily Consular Reports, no. 282 (December 2, 1911), pp. 1111, 1121.

[3] United States Bureau of Statistics (January 1, 1912), Trade between United States and Russia.

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The larger portion of these imports were made through German houses. The American goods were cheaper than other foreign leathers, but there was much complaint as to their condition. It is stated that American exporters could command the entire Polish leather market if better credits were given and the leather was more completely finished. It is estimated that the Warsaw market annually consumes over $12,500,000 worth of finished leather, together with large quantities of horse, cow and bullock hides. It largely controls the entire glove trade of Russia. The total annual requirements of the Warsaw leather-goods market are estimated at $50,000,000.[1]

Hardware is another large article of American trade. In 1910 one New York house sold about $1,000,000 worth through its agencies.[2] $350,000 worth was exported to Finland. Large quantities of household hardware were shipped to Poland through Hamburg houses, but the Germans are copying these articles and underselling the American makers. An important article is typewriters, which are rapidly growing in use. As an instance, 585 American machines were sold in Riga in 1910, and with proper agencies throughout Russia a very large business could be built up.[3] Another typical American production is cash registers, which with an excellently organized agency system are rapidly coming into use throughout Russia. The sales now are over $700,000 per year.

As yet American automobiles have made little progress. To introduce and popularize them would require such an agency system as has produced their home success. One hundred American machines were sold in St. Petersburg in 1910, and smaller sales were made in Moscow, Warsaw, Odessa and Rostov. The Russian government is now considering the introduction of motor trucks into both the military and postal services. With the present facilities of American factories for building machines of high grade at low cost, Russia offers fine opportunities for a large business.

Western Siberia is developing a great dairy interest. Its

[1] United States Daily Consular Reports, no. 282 (December 2, 1911), p. 1126.

[2] *Ibid.* p. 1112.

[3] *Ibid.* p. 1119.

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butter is now claimed to equal the Irish and Danish makes. It is in large demand in the London market, to which its shipments have grown from 18,900 tons in 1900 to over 61,000 tons in 1910. A fine field exists in Siberia for the sale of dairy implements of all classes, both for butter-making and milk-condensing.[1]

Much is being done in the development of water power in many parts of Russia, Finland, the Caucasus and western Siberia, and the demand for dynamos and motors in connection therewith is already large. Thus far most of them have been supplied by Germany, although the Westinghouse Electric Company has a factory in Russia.

From a consideration of these facts it may be seen at once that great opportunities exist throughout Russia for the introduction of very many classes of high-grade American manufactures. Russia is now the largest civilized nation; much the greater portion of its entire cultivable territory in Europe is thickly settled; its farming class, which for centuries maintained a bare existence, is now beginning to prosper and will have numberless new wants to supply; and of the opportunities which will thus be created American business men should be quick to take advantage.

The tale of our purchases from Russia may be quickly told. While many different articles are brought from that country in small amounts, the great bulk of our imports is in very few classes. The largest item is hides and skins, which in 1910 aggregated $7,726,935. The other commodities imported in sufficient quantities to be worthy of note (over $100,000) were raw wool, $2,174,249; rubber waste, $823,349; flax, hemp and tow, $702,436; animal and human hair, $718,115; liquorice root, $486,302; wood pulp, $408,026; fusel oil, $317,548; manganese, $301,602; and rugs, $121,011.[2]

While, as we have seen, our sales to Russia have been rapidly increasing, our purchases from that country have of late years remained almost stationary. They were very little larger in

[1] Russian Year Book, 1912, pp. 111, 117.

[2] United States Daily Consular Reports, no 241 (October 14, 1911), p. 227.

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1911 than in 1906; and if our imports from northern Persia, most of which come through Russian Black Sea ports, were deducted, it would probably be found that our purchases of Russian goods have been decreasing.[1]

III

After considering all these facts, the natural conclusion would be that, for Russia, trade with us, as now conducted, is not desirable. We sell the Russians about $70,000,000 per year and buy from them about $15,000,000, giving a balance in our favor of about $55,000,000 per year—a larger credit balance than is shown in our trade with any other country except Great Britain, Canada, Germany and the Netherlands, most of our exports to the latter being really for Germany.[2] Moreover, that credit balance has been growing every year, and at present the opening for sales of our manufactures to Russia seems almost unlimited. From our point of view, assuredly, every effort should be made to retain the good will and trade of so profitable a customer. But to Russia this state of affairs naturally seems less desirable. Every effort is being made by its government to correct so one-sided a condition. Having in view the vast purchasing power of over 150,000,000 civilized people, even though three-fourths of them are peasants and workingmen, strenuous efforts have been made to develop home manufactures, and in many lines these efforts have been very successful.

This is especially the case in clothing materials, such as cotton and woolen goods. Thus in 1910 Russia's imports of cotton goods were only $6,276,820 and of woolen goods only $6,377,000.[3] These sums represent an outlay of about nine cents per year for each inhabitant; while the United States, notwithstanding its tremendous textile-milling capacity, imported such goods to a value of over eighty cents for each

[1] United States Bureau of Statistics (January 1, 1912), Trade between United States and Russia.

[2] United States Bureau of Statistics, Monthly Summary of Commerce, June, 1911, p. 2020.

[3] United States Daily Consular Reports, no. 241 (October 14, 1911), pp. 228, 229.

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inhabitant, or almost ten times as much as Russia.[1] This result has been largely obtained through the great development of cotton and wool spinning in Russia of late years. The 151 mills, which are now almost satisfying the home demand, consumed in 1910 1,596,000 bales of cotton. Although much progress has been made in developing the culture of cotton in various portions of the empire, it is still necessary to import about 500,000 bales of American cotton per year, which amount is exceeded only by Great Britain, Germany and France. But in common with all other cotton-consuming countries, Russia has become extremely restive because of the violent fluctuatious in values of American cotton during late years, and it is now making a determined effort to increase its own production to such an extent as not only to supply all the requirements of its own mills but also to become an exporter.

The present chief cotton-growing province is Russian Turkestan in Central Asia. Its western portion in the lower regions of the Amu Daria and Syr Daria Rivers, east and south of the Sea of Aral, had always been regarded as a desert, almost incapable of cultivation; but the eastern portions, comprising the districts of Ferghana, Bokhara and Samarcand, have for centuries been among the garden spots of Asia. After they came into Russian control, cotton culture under modern methods was introduced in 1880. American sea-island seed was first used, but it failed. In 1884 American upland seed was tried and succeeded at once, 720 bales being grown that year on 1234 acres.[2] Since then the development has been constant and rapid. In 1911 the crop gathered was about 1,200,000 bales.[3] There are now in cultivation about 2,000,000 acres producing three-eighths to three-quarters of a bale per acre. Heretofore no fertilizers have been used, and it is believed that with their use the yield would be a bale per acre. (In the United States it is about forty-five one-hundredths of a bale per acre.[4]) This Turkestan cotton is of a very high grade:

[1] United States Bureau of Statistics, Monthly Summary of Commerce, June, 1911, pp. 1981, 1982, 1994.

[2] International Association of Master Cotton Spinners (Brussels, 1911), p. 240.

[3] United States Bureau of Census, Bulletin no. 114, p. 46. [4] *Ibid.* p. 24, table 13.

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Russian spinners prefer it to American upland at an equal price, considering it not inferior in length, lustre or strength.

The lower regions of these rivers, with very light and only occasional rainfall, were always classed as deserts. The area of this district is about 660,000 square miles, or more than double that of the state of Texas. Later investigations have proved that these lands have a very rich soil, needing only a supply of water. Government surveys show that an area of over four million acres could be watered from the Amu Daria and Syr Daria Rivers and would then rank among the finest cotton-lands in the world. Extremely fertile, and with an almost perfect summer, they should produce about a bale per acre.[1] Plans have been made for carrying out this irrigation project and arrangements for providing the necessary funds are to be made by the Russian government. In September 1911 an association was formed in Moscow to take charge of the practical work, and in November the Department of Agriculture promulgated rules for the allotment of the irrigated lands, preferance to be given to small farmers. It is claimed that within ten years the entire 4,000,000 acres will be under irrigation and that Turkestan can then produce 5,000,000 bales per year.

In the territory south of the Caucasus Mountains, very considerable progress has been made in cotton culture. The country as a whole is quite mountainous and the rigors of the climate have sometimes damaged the crop. But, although only introduced twenty years ago, the output reached 110,000 bales in 1911 and there is every expectation of much greater growth.[2]

Because of its severe and very early winters, it was thought impossible to grow cotton in Southern Russia. But in 1908 cotton was planted in the Crimea on a small scale and with some success. Since then each year has shown additional planting, and it is now believed that this crop can be successfully and profitably grown. In 1909 it was also planted in the

[1] International Association of Master Cotton Spinners (Brussels, 1911), p. 241.

[2] Russian Year Book, 1912, p. 139.

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governments of Kherson and Bessarabia near the Rumanian boundary, and some measure of success has already resulted.[1]

Northern Persia has its only good trade-outlet by means of the Caspian Sea and the Russian railways. As this country has no railways of its own and very poor roads, transportation is very costly. But in 1910 it exported about 84,000 bales of cotton to Russia. When it comes under Russian control, and railways and good roads are built, its cotton exports should greatly increase.[2] Even now raw cotton is the largest single item in Persia's exports.

Modern cotton cultivation is also being introduced into western Chinese Turkestan and is proving successful, the cotton all going to Russia. With the railways which Russia expects soon to build through western Mongolia and Chinese Turkestan, that territory will unquestionably become a large cotton producer.

From these considerations it seems apparent that Russia will in a very few years produce in its own dominions all the cotton needed to supply its home industries and will cease to import this staple from the United States. In Russia itself it is confidently expected that in the not far future the empire will compete strongly with the United States as an exporter of cotton, as it already competes in the exportation of wheat, petroleum and even Indian corn.

During the past decade it has been the policy of the Russian government to offer every possible inducement for the establishment of manufacturing plants. Subsidies have been given, loans have been made and in many cases the government has even subscribed largely to the stock of corporations. These efforts have been very successful, and many foreign manufacturers have established branches in Russia, impelled thereto not only by the inducements offered by the Russian government but also by the large supplies of cheap raw materials of nearly all descriptions, the great reservoir of cheap labor always at command and the market furnished by a nation of 155,000,000

[1] United States Bureau of Census, Bulletin no. 114, p. 46.

[2] Statesman's Year Book, 1912, article "Persia."

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people. This policy, consistently pursued, will eventually shut out the larger American industries now marketing their products in Russia. There is, for example, no inherent reason why all classes of agricultural implements and machinery should not be made there in place of being carried 5000 or 6000 miles from America. So, in 1910, the International Harvester Company established at Lubertzy, near Moscow, a factory which now employs 1500 men and will probably employ a much larger number in the near future. The Westinghouse Electric Company also has works near Moscow, employing 500 men; and the Singer Manufacturing Company has a factory at Podolsk, employing 600 men, which turns out small hand-power sewing machines that are very popular among the peasants and are in rapidly increasing demand. The New York Air Brake Company also has works near Moscow.

It is quite apparent, therefore, that even under the most favorable circumstances the great and profitable trade which the United States has built up with Russia is one that can not be promoted, that can not even be maintained, without great care on our part. There is every reason why Russia should try to produce for itself most of the articles it buys from us, and, with its vast and almost unequaled natural resources, such a result is not impossible. What Russia has already accomplished and what it is now attempting to do has been shown. How much more it can do, if induced or constrained thereto by mistaken action on our part, is difficult to overestimate.

Thus far every effort has been made by the Russian government to encourage American capital and enterprise to seek investment and employment in Russia, and there has been every indication that even closer industrial and commercial relations would be secured. The only direct, regular steamship line between the two countries was established through the efforts of Russia, and its establishment has not only largely increased American exports to Russia but has also resulted in the direct exportation from the United States of many articles heretofore handled through Great Britain and Germany.

Under such circumstances the decision of the United States

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to terminate the treaty with Russia seems, from the economic point of view, a great mistake; and the circumstances under which this action was taken have greatly aggravated its consequences. Already many of the central and southern Russia *zemstvos* have suggested a boycott of American agricultural machinery, of which they have heretofore been large purchasers.

The termination of the existing treaty gives Russia a fine opportunity to put a stop to most of its American importations by fixing on them a tariff rate so heavy as to compel their manufacture in Russia. The probable success of such a policy is indicated by the results obtained in the manufacture of cotton and woolen goods and in the production of steel and sugar. Of the latter, Russia now produces nearly 1,500,000 tons per year, and it not only satisfies its entire home requirements of both articles but is also a large exporter of each.[1] It seems not improbable, therefore, that within five years Russia will be able to reduce its importations from the United States from the present total of $70,000,000 per year to $5,000,000 per year.

As to American purchases from Russia, as has already been shown, more than half is in hides and skins, which we use in our factories and will buy from any seller; some $2,000,000 worth is in Turkestan wool, which our carpetmakers must have and can secure only from Russia[2]; $500,000 is for liquorice root, required by our tobacco factories; and another million is in wood pulp, manganese, Persian rugs and furs, which we will gladly buy wherever offered. Evidently therefore, we shall be almost compelled, irrespective of the existence of any treaty, to purchase nearly every article which Russia now sells us, whether it buys anything from us or not.

Russia's export trade is very largely in crude agricultural and mineral products, of which every other European country is a consumer. Moreover, as its exports are always much larger than its imports, it has a heavy balance in its favor. There are, in fact, but five countries whose trade shows a balance against Russia. In the case of Germany, a large portion

[1] United States Daily Consular Reports, no. 241 (October 14, 1911), p. 233.

[2] United States Bureau of Statistics, Monthly Summary of Commerce, June, 1911, p. 1993.

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of its balance arises from merchandise shipped through its ports from the United States to Russia. The raw-cotton portion of this we can fairly estimate and deduct, but the large amounts of machinery, leather and other American products so handled we can hardly calculate, although they would unquestionably amount to several million dollars. But even if we deduct raw cotton only from the German trade, the foreign-trade balances against Russia in 1910 were as follows:

China	$5,757,700 [1]
East Indies	9,167,000 [2]
Egypt	3,519,510 [3]
Germany	8,539,005 [4]
United States	50,941,665 [5]

It will be noticed at once that the credit balance in favor of the United States is not only the largest, but is almost twice as large as all the others combined. Over $30,000,000 of this balance to the United States consists of raw cotton, which, as has been shown, Russia in the near future will doubtless produce at home. Home cultivation would be very greatly stimulated by a heavy discriminative tax upon the American staple, and the imposition of such a tax will be made at once possible by the termination of the treaty of 1832.

It would seem not unlikely, therefore, that the position which the United States has taken in this matter will bring about a loss in its export trade that may easily amount to $50,000,000 per year. At the same time, it seems improbable that it will obtain, in the near future, any of the modifications in the policy of the Russian government which the termination of the treaty was intended to secure. Indeed, a careful consideration of the facts above set forth would seem to indicate that, even in the improbable event that the United States should withdraw the political demands that were advanced in connection with the existing treaty, Russia might well deem it advisable, simply on economic grounds, to refuse to renew that treaty.

JOHN V. HOGAN.

NEW YORK CITY.

[1] United States Daily Consular Reports, no. 241 (October 14, 1911), p. 226.

[2] *Ibid.* [3] *Ibid.* [4] *Ibid.* and no. 282 (December 2, 1911), p. 1125.

[5] *Cf. supra*, p. 636, table.

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FORESTALLING THE DIRECT PRIMARY IN OREGON

I

THE Oregon Direct Primary law, enacted by the people in 1904 and amended by them in 1910, provides that every "political party"—so defined as to include at present only the Republican and Democratic parties—shall nominate all its candidates for public office under the provisions of this act and "not in any other manner."[1] No provision whatever is made for party platforms, but candidates are allowed a limited space for statements in the primary-election pamphlets and on the ballots.

It was at first assumed by some that this law would do away with all party conventions whatever. But others early maintained that such conventions were indispensable incidents of representative government; and soon politicians were reported as studying the primary law to find out how, under its provisions, the party organizations could still maintain some control over nominations. The "voluntary convention" was suggested as "one way out." Party organization, once an extra-legal institution, originating as a supplement to institutions established by law, had now become a part of those institutions[2]; but it seemed possible that the direct primary might in turn be supplemented, or rendered a merely formal affair, by the development anew of organization outside of the law.

Our people have modified the academic form of government of the fathers by the introduction of party organization. They will do this in

[1] With the amendment of 1910, the law applies to the nomination of president, presidential electors, United States senators, all state officers, and all local officers, except those in towns having less than two thousand inhabitants and officers of school districts. The election of precinct committeemen and delegates to the national party conventions is combined with the primary nomination of officers. Lord, Oregon Laws, §§ 3349 *et seq.* and vol. i, pp. xxxiii *et seq.*

[2] As to the nomination of federal officers, the state law is now obviously extra-constitutional.

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every case, so long as self-governing virtue remains in them. The most brilliant example is the complete change in the method of electing the president, without the smallest aid of formal law. Every attempt to introduce unworkable institutions by law will be defeated in the same way. . . . If we continue to use the primary law we shall get the convention to make party nominations before the primaries. . . . Men may file by the dozen, as they could run independent before; but the voice of the party authority will choose among them as it always chose.[1]

The first elections held under the Direct Primary law were the municipal elections in the spring of 1905. There is little or no party politics in municipal elections in Oregon, outside of Portland. There, in 1905, although there was hesitation and some difference of opinion among politicians as to the policy of such action, attempts were made to bring out pre-primary tickets for both parties; but factional differences prevented anything more than endorsements by particular Republican and Democratic clubs.

In the summer of 1905 a number of Republican politicians began an agitation for a state party convention, to adopt a platform and make "recommendations" of candidates before the date of the primary election of the next spring. But there was decided opposition to doing anything of the sort before the direct primary should have had a "fair trial." "No attempt to forestall its action will, at this stage in our affairs, be acceptable. . . . If now the people believe that groups of sleight-of-hand performers are scheming to set it aside, they will express their disapproval."[2] However, at the Republican state "peace conference," held at Portland in the fall, it was strongly urged that the conference, in addition to establishing peace between the factions of the party so that the entire party support would be given to the primary nominees, should make a platform and nominate, or "suggest," candidates to the voters at the primary election. But it was found that a "preponderance of senti-

[1] Quoted in *Oregonian*, August 27, 1904. Some reference was made to precedents elsewhere for holding pre-primary conventions, and later the convention provision of the Hughes (New York) Primary Bill was much discussed; but it seems generally to have been assumed that the idea was original in Oregon.

[2] *Oregonian*, July 20, 1905.

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ment" was against such action, and the proposition was dropped. Some opposed it as an attempt to nullify the letter or spirit of the primary law; others were of the opinion that such action was not expedient at that time, because it would create distrust among the people. Said a leading politician:

> If the present direct primary law is continued, I look for the development in the future of some kind of system by which there will be an association of electors in every district, for the purpose of declaring party principles and naming two or more candidates to be voted upon at the succeeding primary election.[1]

However, a resolution was passed, with some opposition, for holding state and county conventions the next spring for the ratification of primary candidacies and the promulgation of party principles. Even this was regarded by some as an attempt to nullify the primary law, and the plan was not carried out. During the following winter and spring there was some activity in uniting the Republicans of Multnomah county for the campaign of 1906; but at that time no very effective organization seems to have been formed.

The state central committees of both parties hesitated to assume the responsibility of drafting platforms for the campaign of 1906. However, a Republican state platform was finally drafted and promulgated by a sub-committee appointed for the purpose, without express authority, by the Republican central committee. The leading Democratic organ declared suggestions of holding "mass meetings" of the parties for this purpose to be impracticable except in case of local affairs, and it branded such a movement as a return to the old convention system. At a meeting of the Democratic state central committee in January of this year, members talked of holding a state convention, but "very charily," and the subject was finally dismissed "as a matter fraught with danger."[2] But the Democrats of Umatilla county held a "mass assembly" in February, 1906, and recommended that a Democratic state assembly should be held at Portland. This county assembly adopted "resolu-

[1] *Oregonian*, August 2, 1905.

[2] *Ibid.* January 9, 1906.

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tions," and "invited and recommended" candidates for the various county and district offices. Three other such Democratic county assemblies were held. In view of the small chance for Democratic success, the task of some of these assemblies was rather to find men willing to be "slaughtered" than to choose among candidates for office. In some instances more than one recommendation for the same office was made. In counties in which no "mass assemblies" were held, various efforts were made to secure harmonious action: in one county Democrats willing to make the race for office got together and agreed who should be candidates; in another county the central committee adopted a county platform; in a third county the committee "suggested" candidates for office, in some cases several for each office. Where "assemblies" made recommendations, these were generally accepted at the primary election.

A state "mass assembly" was held by the Democrats in March. There was opposition in the assembly to any selection of candidates by the assembly and even to the adoption of a platform. But, although it was acknowledged that a "binding platform" could not be adopted, "resolutions" were passed "uttering Democratic doctrine"; and although candidates could not be "nominated," candidates for all state and congressional offices were "invited" to run, "alternates" being named for three offices. The assembly expressly resolved that the "invitations" issued should not be considered by other aspirants to office as a bar to their candidacy, and it disclaimed any authority to "represent" the party. The primary election resulted in every instance in favor of the candidates of the state assembly.

Republicans declared that all such county and state assemblies returned to power "the old stagers" of the Democratic party and made the Democratic primary election a farce.

Although most of the offices, state and county, went to the Republicans at the general election, the Democratic nominee for the office of governor was elected.

Early in 1907, in view of the coming municipal primary election, there was activity in reorganizing Republican clubs in Portland and Multnomah county; but the clubs adopted the policy

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of pledging support to the Republican primary nominees rather than of endorsing any candidates in advance. The Republican central committee made no endorsement of individual candidates before the primary election, but succeeded in extracting a pledge from all candidates but one to stand by the primary ticket whatever it might be. Democratic "party managers" put forward a candidate for the office of mayor; but at the primary election the voters "wrote in" the name of a popular Democrat whom the managers had not considered, and he was nominated. The Democrats secured only two offices to the Republicans' eighteen, but one of them was, as in the preceding municipal election, that of mayor.

The original Direct Primary law made no provision for the nomination of presidential electors or for election of delegates to the national party conventions. A bill providing that the voters at the primary election should elect delegates to state party conventions, which should not only adopt party platforms but also select delegates to the national conventions and nominate presidential electors, passed one house of the legislature of 1907 but failed in the other. The scope of the bill was perhaps misunderstood by its opponents, but it was feared that such conventions would result in practically nullifying the primary law. Some considered that the law forbade party conventions for any purpose whatever. Still, in the absence of any provision in the law for nomination of electors and election of delegates, there was cause, it was asserted, for holding old-time conventions for this purpose before the general election of June, 1908. There were politicians, both Republican and Democratic, who favored holding conventions by which complete tickets would be "suggested" to the voters at the primary election in April; but such strong opposition to pre-primary assemblies developed in both parties that, except in a few localities, nothing was done until after the primary election, when both parties held state conventions for the election of delegates to the national conventions, the nomination of presidential electors and the adoption of platforms. The delegates to the state convention were elected by the county central committees or by county conventions held for the purpose. Some of the latter, at least, adopted county platforms or "resolutions."

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In Multnomah county the Republican politicians were about evenly divided on the question of holding a county convention for any purpose before the primaries, but the controversy ended by calling an assembly composed of delegates elected by "mass meetings" of Republicans in the various precincts. The assembly adopted a platform but made no nominations. Various Republican groups in the county worked at making tickets before the primary election, and several Republican clubs made endorsement of candidates. In some of the other Republican county conventions vigorous efforts were made to have county tickets nominated, but these efforts aroused great opposition and were unsuccessful. In one county the controversy resulted in imposing on a campaign committee the duty of "suppressing" undesirable legislative candidates.

The "Kentucky Klick," a Democratic or quasi-Democratic organization of Multnomah county, selected a full ticket for county and state offices and the office of United States senator, and these recommendations were for the most part accepted by the Democratic primary. At a Democratic "mass meeting" or "conference" in another county, the original intention of putting up a ticket was abandoned as useless, but finally a committee was appointed to "urge" candidates to come out for the legislative ticket. But there were no other Democratic candidates before the primaries when, the next month, the local "Jefferson Club" named a county and legislative ticket. This ticket was endorsed, almost without exception, by the Democratic primary. In another county, a nearly complete county and legislative Democratic ticket was named, partly by a "mass meeting," partly by a committee appointed at that meeting and partly by the county central committee. A majority of the candidates so selected were nominated at the primary election. In several other counties Democratic or "non-partisan" assemblies met after the primary election and made up tickets.

The following general election gave over three-fourths of the offices to the Republicans, but the Democrats again elected their candidate to the governorship.

For some time Republican criticism of the operation of the primary law had been increasing, and the agitation in favor of

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"representative conventions" now became stronger. Early in 1909 a bill expressly permitting the parties to hold conventions and to nominate candidates (three for each office) passed one house of the legislature, but it was defeated in the other on the plea that such conventions would be a step backward to the old convention days and to the corruption of the past. Soon after, a Republican club of Multnomah county took active steps toward the calling of a convention for the nomination of a Republican ticket for the coming Portland primary election, with the result that, not without opposition, an "assembly," appointed by the city central committee and described, according to the point of view, as "merely a gathering for suggestions," "an assembly of party workers" or a "close corporation convention," met and "suggested" a complete city ticket. Those back of the movement insisted they were exerting every effort to divest it of all machine significance, but the usual machine methods of conventions seem to have prevailed. In prospect of the assembly, candidates were generally disposed to wait and see what their rivals would do and what the assembly would do, before going to the people independently. But some of them fought shy of assembly endorsement, in fear of being "ring tainted."

Republican opponents of the assembly plan held a "conference" before the primary election, and nominated a candidate against the assembly nominee for the office of mayor. This was of course criticized as an inconsistent proceeding; and it was further asserted that the "conference" could not claim the "representative" character of the "assembly." The authors of the "conference" were described as the "anti-assembly machine." There was some talk of holding a Democratic "mass meeting" for "bringing out" candidates, but nothing came of it. However, a Democratic "conference" appointed a committee to call on some Democrats with a view to candidacy, a meeting of "leaders" of the party made an endorsement of a candidate for mayor, and the "Kentucky Klick" presented a city ticket.

The "concentration" of the assembly for the office of mayor was finally met by a "distraction" of three "anti-assembly" candidates for the office, two Republicans and one Democrat.

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A suggested "union of the forces of opposition" did not materialize, and the Republican assembly candidates were almost all approved at the primary election. The Democratic "leaders'" choice for mayor—it was the same as that of the "Kentucky Klick"—was there confirmed. Anti-assembly opposition did not cease among the Republicans after the primaries, but almost the entire Republican ticket was chosen at the regular election.

The results of the election thus "vindicated" this method of "suggestion," and its friends now advocated both state and county assemblies for the future.

> When Oregon adopted the direct primary five years ago, a lot of idealists declaimed this state in the lead of the "progressive" movement. They little imagined that Oregon, in a brief time, would lead the way to restoration of the convention or assembly. . . . The people will sanction the middle-course method, between the old-time convention and the new-fangled primary, just as the voters of Portland have done to their satisfaction.[1]

Both the friends and the opponents of the assembly plan saw that "assembly" would be the issue of the campaign of 1910.

Although some Republican politicians feared that the people would regard holding the assemblies advocated for that campaign as "a return to machine rule," the Republican state central committee finally called for assemblies, to be held before the date of the primary election.

From all but one of the thirty-four counties delegates were sent to the state assembly at Portland. In over half of the counties they were elected by county assemblies (called by the county central committees) or by representatives of the several precincts or groups of precincts at the county assemblies *etc.* In probably almost all the other counties they appear to have been named by the county committees. In one case the delegates were apparently self-appointed. Committee action was sometimes taken with but few members present. The call for the county assembly either specified that both delegates to the state assembly and county candidates should be selected by the

[1] *Oregonian*, September 8, 1909.

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assembly, or left to it the questions whether and how candidates should be selected.

One of the county assemblies was a "mass meeting"; the others were composed of delegates, in most cases elected by "mass-meetings" of Republicans in the several precincts of the county and apportioned on the basis of the Republican electoral vote cast in the precinct at the last preceding election. Some of these local "mass meetings" were attended by but few voters. For example: in one precinct five men named six delegates; in another, three men named eleven delegates. But in other instances precinct meetings were well attended. Some of the county assemblies had full delegations; in others this was far from being the case. Probably in most instances those who opposed both state and county assemblies took no part whatever in these proceedings. But some who favored sending delegates to the state assembly were strongly opposed to selecting any county candidates, because they considered that the direct primary was satisfactory for the nominations to local offices without the aid of an assembly, or because they would "proceed cautiously and accustom the people to it by degrees."[1] Several of the county assemblies postponed choice of candidates until after the state assembly had met, partly in order to see how such a body would behave, partly to await the developments of the "educational" campaign in favor of the assembly plan. In just one-half of the counties candidates were selected by the assemblies. Some of the assemblies endorsed candidates for district and state offices in addition to candidates for county offices. The assemblies formulated platforms or "resolutions."

Delegates to the state assembly had been apportioned on the basis of the presidential vote of 1908. Although apparently not more than eleven hundred of the twelve hundred and forty-eight delegates so apportioned were present, proxy voting brought up the total vote to nearly the full apportionment. A full state ticket was named and "resolutions" were passed by the assembly as a whole. Recommendations for district offices

[1] Quoted in *Eugene Register*, July 3, 1910.

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(for more than one county) were made by district assemblies, consisting of the delegates of the counties composing the several districts, and were ratified by the state assembly.

In the assemblies old-time politicians were much in evidence, but just how far old-time convention methods prevailed is not at all clear. While it seems probable that some of the assemblies were entirely free from any objectionable conduct, it is certain that in other assemblies, and particularly in one of them, the old methods were revived. In the leading county of the state, a "slate" of legislative candidates was prepared for the assembly by a small ring under the control of corporation interests, and the assembly endorsed all or nearly all of the slate. The state assembly was not free from serious abuses.

> Many of us . . . were induced to participate. It became apparent before the work was completed, however, that delegations had been solicited and secured prior to the opening and that candidates who intended placing their names before the open meeting had absolutely no show of winning an indorsement.[1]

And worse abuses were charged.

Before these assemblies were held, some aspirants for office long hesitated what course to pursue. If public opinion really favored the assembly movement, endorsement by assembly would give strength to the candidate, but in the contrary case it might cause his defeat. Some candidates announced their candidacy before the assemblies were held, and some of these openly avowed their opposition to the assembly movement. Others trusted themselves wholly to assemblies. Of those who attempted to secure assembly endorsement and failed, some "bolted" and became "self-nominated" candidates. Others repudiated unsolicited assembly endorsement. Still others became candidates after the assemblies had acted.

After the assembly nominations had been made, party machinery was used in support of the assembly candidates before the primary. This aroused much complaint on the part of the opponents of the assembly.

[1] Quoted in *Oregonian*, September 27, 1910.

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In the Republican primary election there was opposition in almost every case to the assembly candidates for state and district offices, but in many cases the opposition was very feeble. To the county assembly candidates there was absolutely no opposition in several counties and almost no opposition in several others. Assembly opposition was in many cases badly divided, to the advantage of the assembly nominees.

In about a dozen counties all or almost all the assembly endorsements were ratified, and in a few others about half of them. In only one county were the assembly candidates almost entirely "swamped," but that was in the leading county of the state. Two-thirds of the endorsements given by the state assembly for state offices and about the same proportion of the endorsements given by the district assemblies (approved by the state assembly) were ratified at the primary election. The old charge that Democrats go into the Republican primary was used by Republicans as an explanation of part of the opposition to the assembly nominees.

After the primary election was held, a vigorous effort was made, even on the part of many of the strongest opponents of the assembly, to rally all the members of the Republican party to the support of the primary nominees, regardless of whether they had been endorsed by assembly or not. "The primary contest is over, and it is now time for the conflicting elements within the Republican party to rally behind the ticket as nominated. . . . We have had a delightful family row, and victory is not exclusively to either contestant. Let us now have peace."[1] But the contrary view was thus expressed: "Every man who has accepted a nomination from the so-called assembly is an enemy of the direct primary. He should be marked as such, and a defeat be meted out to him, so no more plotters and plottings against direct nomination of candidates by the people will ever rise up in this state."[2]

Some Democrats advocated the assembly plan or some form of concerted action for their party, but the movement was not generally favored by the members of the party, and they were

[1] Quoted in *Oregonian*, September 27, 1910.

[2] *Oregon Journal*, August 1, 1910.

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thus left free for the most part to make "political capital" out of the action of the Republicans. However, the "Kentucky Klick" named candidates for state and congressional offices, a majority of whom were nominated at the Democratic primary election; and something similar was done in at least two counties. It was urged that the anti-assembly Republican candidates for the office of governor should get together and eliminate all but one candidate, but this was not done. It was charged that the choice of candidates for some important offices was made by an "anti-assembly assembly," consisting of a combination between a few anti-assembly Republicans and some Democratic politicians.

In over half of the counties the Republican assembly candidates who succeeded at the primary were all or nearly all elected to office, but in other counties the election eliminated assembly nominees to a considerable extent—in extreme instances two-thirds of them failed to secure an election. Almost all the nominees of the primary who had been endorsed by the district and state assemblies were elected. Half of the state senators and nearly half of the representatives elected had been nominated by assemblies. Nearly four-fifths of all offices were filled by Republicans—a slight increase over the proportion of 1908. Throughout the campaign the Republican opponents of the assembly as well as the Democrats had concentrated most of their efforts on the office of governor, and the election of a Democrat to this office over the Republican assembly nominee did much to offset the effect of assembly victories elsewhere. Dire results had been predicted of the assembly movement, and the results of the Republican primary and the regular election were generally interpreted as a popular repudiation of the assembly plan.

Upon the approach of the municipal primary election in Portland, in 1911, there was little or nothing of concerted party action and no apparent disposition to return to the assembly "vindicated" two years before. Only Republicans were elected at the regular election, but most of them had received both Republican and Democratic endorsement at the primary election.

In 1910 the primary law had been extended to include the

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direct nomination of presidential electors and the election of delegates to national party conventions. Early in 1912 there was nevertheless some suggestion among Republican politicians that a convention be called for the nomination of candidates for these offices before the presidential primary in April, but the objection that such action would "raise a howl" among the people prevailed. A Republican movement to test the proportional-representation feature of the recent amendment was stopped, because it seemed capable of being represented as an attempt to restore the old convention system. Even the institution of a "Taft committee" was decried as a revival of "assemblyism;" but such an unfounded criticism of a mere campaign club soon ceased, and similar committees were formed to further the interests of the other presidential candidates. There was no lack of candidates willing to go as delegates to the national conventions, but there was little desire to seek the office of presidential elector. For the five places to be filled, no Democrats announced themselves as candidates; accordingly, in early March, the Democratic central committee named for the primary election a full quota of candidates. For the same places there was only one Republican candidate; but, objection having been taken to any action by the Republican committee, the voters were left to "write in" the names of others at the election. However, immediately before the election, leaders of the respective forces of the three Republican candidates for president united in suggesting the names of four members of the party for electors. No candidates for the office of vice-president having appeared, some leading Republicans and Democrats suggested names for this office to the voters of their respective parties. All the recommendations for Democratic and half of those for Republican presidential electors were approved at the primary election, and the recommendations for vice-president were there endorsed by the respective parties. There was a small amount of "assembly" or near-assembly activity in some of the localities, but it was wholly sporadic and unimportant. In general these later pre-primary movements were too insignificant to unsettle the prevailing belief that "assemblyism" in Oregon was "dead."

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II

The various pre-primary movements before the Portland campaign of 1909 had not aroused very much discussion or opposition among either Republicans or Democrats. But with this campaign there began an active agitation on the subject, which continued through the campaign of 1910 and later. The law and philosophy of the direct-primary and convention systems were discussed with great vehemence and at tedious length. The agitators of the Republican movement, while urging that the primary law was seriously defective without the supplemental "assembly," generally alleged a strong friendship for that law, although there was also much outspoken hostility to the principle of direct primary nomination. The Republican press generally advocated the "assembly" movement. Although there was strong opposition made by some of the Republican papers, the opposition was voiced for the most part by the "independent" and Democratic press. In view of Democratic precedent, the Republicans charged the Democrats with inconsistency and lack of good faith. On the other hand, Democrats mentioned Democratic assemblies as little as possible, or they drew distinctions between Democratic assemblies and Republican assemblies. The labor unions and the granges were strong opponents of the Republican movement.

There were three classes of persons behind the assembly movement: discredited candidates who could not secure nomination under the direct primary system ("the departed"), politicians who sought to recover their former power of controlling nominations, and those who saw in the "unaided" direct primary an instrument inconsistent with the representative system of government. But of course the same arguments for the assembly were used by all three classes.

The opponents of the assembly have contended that the Direct Primary law absolutely prohibits the holding of any pre-primary convention for the selection of candidates by the parties to which it applies. The assembly is considered as a violation of several provisions of that law, and in particular of the provision which declares that "every such political party shall nominate all its candidates for public office under the

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provisions of this law, and not in any other manner." But, on the other hand, it has been maintained that the law clearly permits the holding of such assemblies; that it intends simply that the primary shall be held after assembly or convention, instead of before; that, indeed, such assemblies cannot be prohibited by statute, in view of the provision in the state constitution which declares that "no law shall be passed restraining any of inhabitants of the state from assembling together in a peaceable manner to consult for their common good."[1] It is perfectly clear that assembly is not illegal but extra-legal.

Under the direct-primary system the candidates of the Republican (majority) party are numerous, and the resulting plurality nominations are a real grievance. "The go-as-you-please plurality primary means a multitude of candidates for official positions, split of the majority party into numerous groups, and nomination by meager plurality of candidates who can't unite their party for the election."[2] (But it should be noted that the chronic factional strife among the Republicans originated under the old convention system.) It is urged, moreover, that the Republican plurality nominations are of advantage not only to the Democrats but also to certain elements of the Republican party which could not hope for majority nomination from an assembly. In either case, it is contended, the direct primary results in the substitution of minority for majority rule. The "chief object of Republican assembly in Oregon is to stop minority nominations of plurality primaries."[3]

When the assembly was advocated as a means of bringing about harmony within the party, it was objected that assembly nominations would lead to anti-assembly nominations, and so disrupt the party more than ever; and, to some extent, this seems to have happened. However, in spite of plurality nomi-

[1] Constitution of Oregon, art. i, sec. 26. Reference has been made in this connection to the decision of the supreme court of Nebraska in Ragan *v.* Junkin, 85 Neb. 1, 122 N. W. 473 (1909).

[2] *Oregonian*, February 2, 1910.

[3] *Ibid.* July 4, 1910. A bill intended to secure majority nominations at the primary election by means of a "second-choice" provision was passed by the legislature in 1911, but was vetoed by the governor, who asserted that it was unconstitutional and tampered with direct legislation.

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nations, during the whole period of the operation of the primary law Republicans have been elected to a very large majority of the federal, state and local offices. But the fact that Democrats have held in a Republican state some of the most important offices, especially those of United States senator, governor and mayor of Portland, has been the source of much irritation. However, a similar condition existed under the old convention system, and in fact was largely due to the abuses which prevailed in that system.

Lack of proper geographical representation in the public offices under the direct-primary system is also given as a reason for holding "representative" assemblies.

Moreover, the assembly has been advocated as a means of correcting an alleged abuse of the practically "open" primary. For years it has been asserted that Democrats have registered as Republicans and voted at the Republican primary. That this is true is admitted by Democrats, but it is impossible to say how extensively the practice has prevailed. Where the motive is to help to elect certain Republicans instead of Democrats, who always have little chance of success, it practically amounts to a change of party. But Democrats are charged by the Republicans, justly or unjustly, with voting at the primary for the weakest Republican candidates and then at the general election for the Democratic candidates.[1]

Further, in spite of the limitation of candidates' expenditures by the Corrupt Practices Act, it is contended that the unaided direct primary results to the disadvantage of the candidate without wealth. In fact much of the agitation for the Republican assembly was directed against "a certain rich man" in high office. It has been asserted, too, that "assemblies will check evils of self-nomination, and serve to bring out better candidates than those who thrust themselves forward without other than self-invitation."[2]

[1] A drastic bill providing for a "close" primary—"An Act to prevent participation in the primary nomination election of one political party by members of another political party"—was introduced in the legislature of 1909, but met opposition and failed to pass.

[2] Quoted in *Oregonian*, May 1, 1910.

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The necessary deliberation, not only upon men but upon measures, it is urged, can be secured only by action in assembly. It is true that the multiplicity of candidates for the numerous elective offices is a great burden upon the voters under the direct-primary system. "From the fact that it is impossible for the electors in general to know the candidates arises the need of conventions of the representative men of the party."[1] Besides, it is said, an assembly is a better judge of the qualifications of candidates than is the individual. Further, it is contended, "if there is to be no party assembly, there will be no common political principle outlined, and we shall continue to vote at random for men who print personal platforms on ballots more speckled and spotted than the ancient cattle of Genesis."[2] In general the assembly press has been much given to dissertations on the philosophy of and necessity for the existence of political parties and party organizations in the scheme of representative government and to bewailing the political "chaos" in the "unaided" primary.

On the other hand, the opponents of the assembly have been inclined to disparage both party and party organization, especially the latter. So far as the choice of candidates is concerned, it is asserted that the people are in need of no assistance.

> This interference with the prerogative of the primary voter is simply a gross insult to his intelligence. It is equivalent to saying, we (the assemblyites) are men of superior political sagacity, and because of this fact we are more competent to select the men who shall conduct the affairs of state than you of the common herd. We will select the nominees while you plebeians may have the privilege of walking up to the polls and voting for whom we tell you to vote.[3]

Although some opponents of assembly nominations do not object to assemblies for the formulation of party platforms, others regard such action as an encroachment upon the right of each candidate to make his own platform, or consider platforms a sham and not worth making, or see no more necessity

[1] *Oregonian*, February 5, 1910. [2] Quoted *ibid.* May 1, 1910.

[3] Reprinted from *Scio News* in *Oregon Journal*, May 16, 1910.

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for guiding the people in matters of policy than in the selection of candidates. "The people have become tired of having their thinking done for them. They are competent to do that themselves, and when they commenced doing that the party was doomed as a paramount necessity."[1] Direct government as such is thus preferred to the representative system, which is described as "proxy government." This view is consistent with the attitude of those radicals who are so imbued with the merits of direct legislation that they are really jealous of any action by the legislature.

Most of the honest opposition to the assembly plan has been due, however, not so much to prejudice against the representative system as such, as to the belief that the convention system is in practice not truly representative. The old party "machine" had been destroyed by the direct primary, and any "supplemental" organization might result in establishing the "machine" anew. The assembly was declared to be "a veiled attempt to reinstate the corrupt and discredited convention system," a return to the time when "boodle, holdups, intimidation, bribery, bargain and sale, corruption, perjury, machine rule, profligacy, inefficiency, rascality and every political vice flourished like green bay trees."[2]

The advocates of the assembly, on the other hand, have declared that it would insure all the benefits of the old convention and the modern primary and eliminate all the evils of both.

> The assembly recommendations must stand before the primary on their merits. If they are satisfactory to the voter, they will be accepted, as they should be. If they are not satisfactory, they will be rejected, as they should be. . . . In the "old days" primaries were held before convention; now they are held afterward. This change makes a vast difference. . . . Conventions or assemblies cannot undo the primaries, but the primaries can upset the conventions.[3]

[1] Reprinted from *Grants Pass Courier* in *Oregon Journal*, October 22, 1910.

[2] *Oregon Journal*, March 8, 1910. Moreover, it was urged by the opponents of the assembly movement that it was simply the first of a series of attacks which would be directed against all the reform legislation of recent years.

[3] *Oregonian*, April 2, May 29, June 5, 1910.

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It was admitted that electors would probably rely upon the recommendations of the assemblies. That an undeserved confidence in such recommendations would be easily secured was the fear of the opponents of the plan.

We are told that the voters will have the right in the primary to review and if desirable set aside the acts of the so-called assembly. Of what value will that be? In the election didn't they always have the right to review or set aside the acts of the old conventions? . . . Of what possible value is the right of review in the primary or election, when the secret and silent influences by which men are nominated in the assembly cannot possibly become known to the people?[1]

The prestige given by the assembly endorsement would make independent nominations at the primary impossible.

The assembly candidate for any office will get all the votes the assembly influence in every district is able to throw to him. The independent candidates for the same office will divide the remaining votes among themselves, according to the amount of personal effort they may be able to put into the campaign. It will always be a divided field of individuals against the organized force of the machine.[2]

Besides, "if all the candidates are to be on 'equal terms,' what is the use of holding an assembly?"[3]

Some opponents of the assembly system have made a distinction between the *party assembly* and the *assembly of partisans*, and have given support to the latter.

The purpose and interest of said assembly is not to come together as citizens to advise and agree together and to make such recommendations in their own names and by their own authority to their fellow-citizens as they may deem wise, but it is intended to be and is a convention of delegates asserting the power and right to act with authority for others and to bind them to a course of political conduct, thus usurping the name and authority of their political parties.[4]

Certain of the Democrats have met (as men properly may) and made recommendations or urged members of the party to become can-

[1] *Oregon Journal*, June 17, 1910.
[2] Letter *ibid.* February 8, 1910.
[3] *Ibid.* June 8, 1910.
[4] Quoted in *Oregonian*, November 7, 1909.

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didates for Democratic nominations, but they never pretended to act as delegates or representatives for others, or in the name of the Democratic party.[1]

But it is not certain that large assemblies of partisans of a political party which comes within the scope of the primary law do not in effect as much "forestall" popular action under that law as do the "representative" assemblies. It is a question how far such distinctions will affect members of the party generally in their attitude toward the action of the assembly. But, although the assembly of partisans has been decried because it is not representative, so long as it makes no pretensions to a representative capacity it is possibly less subject to criticism than the assembly which claims to be representative but which can hardly ever be such in fact.

The "representative assembly" has been contrasted with the small "conference" of "leaders," much to the disadvantage of the "conference."

> One is a wide open assembly, the other a secret, close political corporation.[2]
>
> There are big assemblies and little assemblies. The big assemblies are held in broad daylight and do their work and recommend their candidates where all may see them. The little assemblies meet behind closed doors; peer behind chairs and under tables to discover any intruders; have no roll-call or known list of those present; keep no record of their proceedings; speak in whispers; permit no suggestions from any rank outsiders and close the night's work by a solemn agreement all around to deny that any living being was there. That is your anti-assembly assembly.[3]

But the very "oligarchical" character of the "conference" or "assembly" of "leaders" is so apparent that there is probably little danger that it will unduly influence the rank and file of the party. It has not, as has been contended, anything in common with the old-time "ring" which controlled the convention, for the work of the ring purported to be the work of the convention. Neither is it similar to the conference of

[1] Letter in *Oregon Journal*, November 9, 1909.

[2] *Eugene Register*, June 19, 1910. [3] *Oregonian*, September 22, 1910.

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office-seekers (sometimes countenanced by opponents of the assembly), held for the purpose of determining the question of candidacy, whether by making "deals" among themselves or otherwise.

A distinction has been made between an assembly for eliminating candidates and an assembly for getting candidates to fill places on the ticket that would not otherwise be filled. The distinction is theoretically sound enough, but it is clear that these purposes are very likely to be confused in actual practice.

It would seem that the objections urged against pre-primary endorsements by a party assembly cannot be properly applied to similar action by organizations in no way connected with the political parties coming within the scope of the direct primary law—labor councils, bar associations, municipal leagues and other independent bodies. But advocates of the party assembly have attempted to place all concerted action before the primary upon exactly the same footing.

Political conditions on the whole are doubtless much better in Oregon than they were under the old convention system; but it would seem that, in the course of time, especially if genuine party issues should arise, there may be a general demand for some form or other of organization for more effectively concerted political action. Since the undue influence of party organization with all its abuses has been caused in the past largely by the multiplicity of elective offices and the resulting slavish dependence of the voters upon guidance by the organization, the adoption of the "short ballot," a reform which has already received substantial support in Oregon, would do much to prevent a return of the abuses of the old convention system in any form of party organization of the future. And of course the same reform would render the working of the present "unaided" direct primary much more satisfactory, and would perhaps operate, in some measure at least, to discourage future attempts to "forestall" its action.

JAMES D. BARNETT.

UNIVERSITY OF OREGON.

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POLITICAL PARTIES IN JAPAN

IT would seem as if the year 1911 might come to be regarded as an important date in the development of constitutional government in Japan. It was only forty years distant from the formal abolition of feudalism in 1871; only thirty years from the imperial promise made in 1881 to establish a constitutional government; and only twenty-one years from the first national election (1890) for members of the lower House in the Imperial Diet established by the constitution, which had been promulgated the previous year (1889). Thus constitutional government, which formally went into effect, according to the preamble of the constitution, in 1890, came of age, by occidental count, in 1911. And in this year constitutionalism celebrated the attainment of its majority by the establishment of "party government." In order to appreciate the significance of this event, it is necessary to indulge in a brief historical survey, which will set before the reader the evolution of Japanese political parties.

The history of political parties in Japan may be divided into four periods, as follows: (1) embryonic period, 1867–1882; (2) organizing period, 1882–1890; (3) developing period, 1890–1898; (4) influential period, 1898–1911.[1] The rise of political parties is of course connected with the development of representative institutions, and the two movements must be traced together.

As early as 1867, the year of the Restoration, the prince of Tosa presented a memorial in favor of the establishment of a deliberative assembly; and in the memorable "charter oath" of 1869, his majesty the emperor promised that "a deliberative assembly should be formed, and all measures be decided by public opinion." In the early years of the new régime, "public" opinion naturally meant the opinion of the ruling classes in the central and clan governments; but, with the abolition of

[1] Predominant period, 1911——?

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feudalism and of other social distinctions, the term came gradually to have a broader scope, and it became necessary for those holding various views concerning the administration of affairs to employ means for the education of public opinion.

The honor of establishing the first so-called political party in Japan belongs to Count (then Mr.) Itagaki, often called "the Rousseau of Japan," because he was "the most passionate advocate of the natural rights of man." He hailed from Tosa, from which it had been prophesied that liberty would come. As early as 1874, Itagaki had organized a political association, the *Risshisha*, for the purpose of education in political science. This could scarcely be described, even loosely, as a party, but it was the forerunner of political parties. Another organization of the same kind was called *Aikokusha* or Patriotic Association.

In 1880, an attempt was made to organize a political party "with definite principles"; but it was opposed on the ground that it was premature. However, the *Jiyuto*, or Liberal party, was then organized; and in 1881, after the emperor had promulgated his promise to establish a National Assembly, this party was reorganized on the following platform:

(1) We endeavor to extend the liberties of the people, preserve their rights, promote their happiness and improve their social condition.

(2) We desire to establish a constitutional government of the best type.

(3) We shall strive to realize our objects by the united efforts of those of our fellow-countrymen who faithfully uphold these principles.[1]

In 1882, Count (then Mr.) Okuma and his friends organized the *Kaishinto*, or Reform party, afterwards called *Shimpoto*, or Progressive party, with the following programme:

(1) Our objects are to preserve the dignity of the imperial house and promote the happiness of the people.

(2) We maintain that internal reform should precede the extension of natural rights and prestige.

[1] George Etsujiro Uyehara, Political Development of Japan (London, Constable and Company, 1910), p. 89.

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(3) We endeavor to establish local self-government, restricting the sphere of interference by the central authorities.

(4) We do not maintain that a universal franchise should be granted; but that the extension of the franchise should be *pari passu* with the progress of society.

(5) We advocate that all possible complications with foreign nations should be avoided in order to promote commercial intercourse.

(6) We advocate a reform of the monetary system on the principle of the "hard money system."[1]

In the same year, the government supporters organized the *Teiseito*, or Imperialist party, which was practically the Conservative party of that day. Its platform was rather lengthy and included the following articles:

(1) We pledge ourselves to support the imperial decree of October 12, 1881, which fixes the date of the convocation of a national assembly for 1890, and to refrain absolutely from any discussion of its alteration.

(2) We pledge ourselves to abide by the constitution to be granted by the Emperor. . . .

(3) We maintain that it is indisputable that the sovereignty of the empire resides in the Emperor, and that the exercise of certain powers by the national assembly should be regulated by the Constitution.

(4) We believe it necessary that the national legislature should be organized on the bicameral system.

(5) We also believe it necessary to restrict the electorate by some system of qualification.

(6) We maintain that the national assembly should be given the power of enacting laws concerning the internal affairs of the state.

(7) We believe it necessary that an absolute veto over all legislation should be left in the hands of the Emperor.

(8) We maintain that naval and military men should be excluded from the politics of the country.

(9) We maintain that the holders of all judicial offices should be made independent of the executive. . . .

(10) We maintain that freedom of meetings, associations and public speech should be restricted only in reference to the disturbance of the public peace.

[1] *Ibid.* p. 91.

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(11) We also maintain that the present inconvertible paper money should be changed into convertible paper money by a gradual reform of the monetary system.[1]

Inasmuch as political parties at that time were forbidden by law to have branches in the provinces, the natural result was that a great many local parties were organized all over the empire. Most of these were in affiliation with one of the three parties described above; but several were quite independent. Arthur Hyde Lay, in his excellent paper on "Political Parties in Japan,"[2] gives a long list of these local factions.

If we compare the platform of the Liberals and the Progressives, we can scarcely fail to agree with Uyehara that the Liberals were radicals. K. K. Kawakami,[3] after making a thorough study of the sources of the political ideas of the parties, comes to the conclusion that "the general tendency of the Liberals was *doctrinaire* rather than practical, revolutionary rather than evolutionary"; while the tendency of the Reformists, or Progressives, whom he calls "the Progressive-Conservative party," was "practical" and "thoroughly reformative." The Imperial party, emphasizing the "divine right" of the emperor, seems to have "endeavored to weaken, if not to checkmate, the democratic movement," and was thus conservative.

In this way were political parties organized in Japan; but, as the law regulating public meetings was drastic and the police supervision was strict, it was found necessary for them to dissolve in the course of a year or two.[4] In 1886, Mr. (later

[1] Uyehara, *op. cit.* p. 92.

[2] Transactions of the Asiatic Society of Japan, vol. xxx, pp. 363-462.

[3] The Political Ideas of Modern Japan (Tokyo, Shokwabo, 1903), pp. 131, 133, 147.

[4] "No meetings, either for study, or for debate or discussion of political topics were allowed to be held anywhere without permission of the police obtained three days beforehand. . . . Even a purely scholastic debating club or meeting, when it discussed a political problem, was subjected to police supervision. The police were empowered to interfere with or suspend or dissolve any political meeting on the ground of the preservation of public peace. . . . In fact, the enforcement of the law was more drastic than its letter." Uyehara, *op. cit.* p. 96. Later, however, even the police gradually became "loose constructionists" of the law, which in 1897 was amended in letter also.

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Count) Goto tried to organize the various bands into a great league, called *Daido Danketsu*, the motto of which was "similarity in great things, difference in small things"; but his influence and his party were short-lived.

In 1890, as we have seen, constitutional government was formally established. The tables on page 674 may help to elucidate the discussion of the ensuing development.

The result of the first national election in 1890 was that the 300 members of the lower House were divided among ten small sections, the largest of which was the body of so-called "Independents," who numbered 69. Among the other sections, the largest really coherent group numbered only 55. The various sections, however, finally succeeded in effecting fusions into only four parties, besides the Independents; and these worked together in such a way that they formed, practically, an official party and a people's party. The largest of the four parties was the resuscitated *Jiyuto* or Liberal party. Their manifesto is interesting because it had become so much more specific. It is summarized by Mr. Lay as follows:

(1) Simplification of government business and curtailment of expenditure.

(2) Adjustment of military and naval preparations.

(3) Reform of the educational system.

(4) Revision of the law of finance and careful supervision of national revenue and expenditure.

(5) Reform of public debt and of the system under which government property is held.

(6) Revision of taxation laws and reduction of land tax.

(7) Reform of procedure for the protection of private undertakings.

(8) Reform of local government and adjustment of local finances.

(9) Revision of all laws relating to speech, public meeting and political association and abolition of the peace preservation regulations.

(10) Revision of the law of houses and of the election law.[1]

The first few years of constitutional government brought

[1] Lay, "Political Parties in Japan," *loc. cit.* p. 408.

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IMPERIAL DIETS

Session	Opened	Closed
1	Nov. 29, 1890	Mar. 8, 1891
2	Nov. 26, 1891	Dec. 25, 1891
3	May 6, 1892	June 15, 1892
4	Nov. 29, 1892	Feb. 28, 1893
5	Nov. 28, 1893	Dec. 30, 1893
6	May 15, 1894	June 2, 1894
7	Oct. 15, 1894	Oct. 22, 1894
8	Dec. 24, 1894	Mar. 25, 1895
9	Dec. 28, 1895	Mar. 29, 1896
10	Dec. 25, 1896	Mar. 25, 1897
11	Dec. 24, 1897	Dec. 25, 1897
12	May 19, 1898	June 10, 1898
13	Dec. 2, 1898	Mar. 10, 1899
14	Nov. 22, 1899	Feb. 24, 1900
15	Dec. 25, 1900	Mar. 25, 1901
16	Nov. 10, 1901	Mar. 10, 1902
17	Dec. 9, 1902	Dec. 28, 1902
18	May 12, 1903	June 5, 1903
19	Dec. 10, 1903	Dec. 11, 1903
20	Mar. 20, 1904	Mar. 30, 1904
21	Nov. 30, 1904	Feb. 28, 1905
22	Dec. 28, 1905	Mar. 28, 1906
23	Dec. 28, 1906	Mar. 28, 1907
24	Dec. 28, 1907	Mar. 27, 1908
25	Dec. 25, 1908	Mar. 25, 1909
26	Dec. 24, 1909	Mar. 24, 1910
27	Dec. 23, 1910	Mar. 23, 1911
28	Dec. 27, 1911	Mar. 26, 1912

MINISTRIES

Premier	Term of office[1]	Years	Months
Yamagata	Dec. 1889—April 1891	1	5
Matsukata	May 1891—July 1892	1	3
Ito	Aug. 1892—Aug. 1896	4	0
Matsukata	Sept. 1896—Dec. 1897	1	3
Ito	Jan. 1898—June 1898	0	6
Okuma-Itagaki	June 1898—Oct. 1898	0	4
Yamagata	Nov. 1898—Sept. 1900	1	10
Ito	Oct. 1900—May 1901	0	7
Katsura	June 1901—Jan. 1906	4	7
Saionji	Jan. 1906—July 1908	2	6
Katsura	July 1908—Aug. 1911	3	2
Saionji	Sept. 1911—		

[1] It should be noted that the average duration of the eleven ministries preceding the present was over 23 months or almost two years.

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about no marked change in the situation with reference to the "parties," many of which were merely small factions that were unstable. The Liberals and the Progressives were the largest of the organizations, but were themselves unable to keep their own ranks intact and often suffered from internal dissensions. In 1895, at the close of the war with China, the Ito ministry formed an informal alliance with the Liberal party, which supported the government through the ninth session of the Imperial Diet. In the following year the Matsukata cabinet obtained, in a similar manner, the support of the Progressive party through the tenth session. These alliances bore eloquent testimony to the growing influence and power of parties.

The year 1898 was an eventful one, because it witnessed the first attempt to establish "party government." The Liberals and the Progressives, burying the hatchet, united in organizing a new party, the *Kenseito*, or Constitutional party, with the following programme:

(1) Loyalty to the throne and maintenance of the constitution.
(2) Establishment of party government and fixing of ministerial responsibility.
(3) Development of local self-government and restriction of the interference of the central authority.
(4) Protection of national rights and prestige and extension of trade and commerce.
(5) Preserving the balance of revenue and expenditure and putting the national finances on a firm basis.
(6) Establishing the means to facilitate the inflow of foreign capital and the development of the national resources.
(7) Maintaining the army and the navy in proportion to the national strength [needs?].
(8) Creating sufficient means of communication and transportation.
(9) Improving the educational system and encouraging science and art.[1]

This alliance between the Liberals and the Progressives boded ill to the Ito ministry then in power. It led to a notable discus-

[1] Uyehara, *op. cit.* p. 235.

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sion in the Privy Council between Yamagata and Ito. The progressive Ito urged that the government should either "establish a definite connection with the dominant political party, or else organize a party itself which would adhere to the principles of clan government." On the other hand, the conservative Yamagata insisted that "to make the government dependent upon any political party was a violation of the spirit of the constitution." The result was that the Ito ministry resigned; and Okuma and Itagaki, the leaders of the new party, were summoned to form a cabinet which (except as regarded the ministries of the army and the navy) was composed of members of the two parties which had united.

This alliance, however, was short-lived; it was only a temporary coalition, of a negative rather than a positive character, and had been designed primarily to oust the clan statesmen from power. The new party was a double-headed affair; and the cabinet, although Okuma was premier, was in reality a hyphenated (Okuma-Itagaki) ministry. The bond of union was so weak that the cabinet soon fell a prey to internal dissensions and resigned after only about four months of power. The fall of the coalition cabinet also brought about the disruption of the new coalition party, which was dissolved into its original elements. And this occurred in spite of the fact that, at the general election of members of the lower House, it had won a signal victory, securing 259 seats out of 300.

This attempt at party government was obviously premature: it was made before true parties had been developed. It "was not really a national evolution, but a mere accident." However, as Uyehara has well said, "its real importance lies in the fact that it had completely disposed of the prejudice that a person directly connected with a political party could not become a cabinet minister." [1]

Next occurred a most unexpected event. The conservative Yamagata, who had become premier, abandoned his strict principle of "ministerial independence" and formed an alliance with the Liberals, who supported a clan cabinet during the thirteenth and fourteenth sessions of the Imperial Diet. But,

[1] Uyehara, *op. cit.* p. 241.

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when their rewards for this support proved to be less substantial than expected, they broke with Yamagata.

The closing year of the nineteenth century was marked by a most significant event. The Liberal party was formally dissolved, and a new party, known as *Rikken Seiyukwai*, which means literally "constitutional government friends association" and may be termed the "Constitutionalist party," was organized under the leadership of Ito, one of the "elder statesmen." It was he who, ten years before, had been the author of the principle of "ministerial independence." Politics had made real progress during the first decade of constitutional government, and Ito, recognizing the fact, showed his statesmanship by preferring to be progressive rather than consistent.

To offset the enhanced influence of the new party with Ito as its leader, the Progressive party was reorganized with Okuma as leader.

The new condition of affairs not unnaturally led to Yamagata's resignation and a summons to Ito to form a cabinet. This comprised seven *Seiyukwai* and three non-partisan members. As the *Seiyukwai* had a majority in the lower House, Ito had no trouble there, but he met with opposition in the upper House, where the Conservatives resented his becoming a member of a political party. His greatest difficulty, however, was in the cabinet itself, which was finally wrecked by dissensions. As a matter of fact, Ito had been forced to form his cabinet before the new party had been thoroughly organized and its discordant elements harmonized. Ito was more successful as an official than as a party manager: he was a statesman rather than a politician.

One result of this fiasco was that no one of the "elder statesmen" was willing to form a ministry. All therefore retired from the political arena, leaving to the younger men a freer field. Viscount Katsura, a follower of Yamagata, was called upon to organize the new ministry. This, as Lay puts it, was "a new departure, in that it was not under the leadership, nor did it contain any, of the elder statesmen, whose presence had hitherto been considered essential in a cabinet. On the other hand, no representatives of political parties were included in its

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composition."[1] Thus, while "it was in a sense a reactionary ministry" (Uyehara), it also "marked a transition stage" (Lay) in the development of party government. The Katsura ministry was followed by a Saionji ministry; then another Katsura ministry was followed by another Saionji ministry, which was formed in 1911 and is still in power.

This brings us up to the present and third attempt at a party cabinet. It is true that, when Katsura resigned and recommended that Saionji be made his successor, he did so on the ground, not that Saionji was leader of the *Seiyukwai*, but that he was a prominent and talented man. But it had been an open secret that the next change in ministry would be practically, if not theoretically or nominally, a more serious attempt to carry on the administration in close connection with the dominant party in the lower House. If one takes the trouble to examine the composition of this Saionji cabinet, he will find that, while the portfolios of the army and the navy are held (as always) by non-partisans, of the eight other ministers four are active members of the *Seiyukwai*, and four, while not active in politics, are progressive men, who are classed as "quasi-*Seiyukwai*."[2] At any rate, the days of the "august but obsolete" elder statesmen and of clan government in Japan are ended.

What inferences and conclusions may be drawn from the evolution of party government in Japan? In the first place, it is evident that party principles and party ties have thus far been quite loose. Almost all of the political organizations or associations in Japan have been guilty, at one time or another, of opportunism. According to circumstances, a party has, for instance, been found both in support of, or in opposition to, an increase of the land-tax. For value received, not necessarily in "gold pills" (warranted to be a real panacea!), but in remuneration or reward of some kind, like the spoils of office, the opposition of a faction or a party has been overcome by the government. Individuals, too, have found it not difficult to

[1] Lay, *loc. cit.* p. 454.

[2] The *Japan Times* of June 16, 1912, speaks of them as "wearing the Seiyukwai livery."

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shift allegiance from one party to another, sometimes without sacrificing their "principles," if they had any! Lay attributes this phenomenon to "the absence of any concrete issue" and adds that "the secret appears to lie in the fact that sentiment, rather than fixed and definite principles leading to well-defined ends, has been the motive power." The ease with which coats are turned in Japan is, of course, partly due to the indefiniteness or glittering generalities of party platforms, or the lack of positively distinguishing principles separating parties. Between some of the parties, indeed, there have been great differences; but between other parties or factions there have been no clear lines of distinction. But this fault is being remedied. For instance, in the case of the *Seiyukwai*, which in name is only an association (*kwai*), there is much better discipline and greater unity than in the case of the *Shimpoto*, which in name was a party (*to*), but dissolved in 1910 on account of internal dissensions and has been succeeded by the *Kokuminto* or People's party. Of course, it may be that the *Seiyukwai* is growing stronger simply because it is a majority party, while the *Shimpoto* had grown weaker because it was an opposition party. But, on the whole, the party *morale* is improving in Japan.

Another important feature of Japanese political parties must be emphasized. That is the personal element; parties and factions have rallied around men more than measures, around persons rather than principles. Itagaki and Itagaki's personal following constituted the leading section of the *Jiyuto;* Okuma and Okuma's followers were the nucleus of the *Kaishinto* and the *Shimpoto;* it was Goto's personality that held together the loose conglomeration of the *Daido Danketsu;* it was Ito and his protégés who dominated the *Seiyukwai;* smaller factions have adhered to smaller men; and splits have often occurred on account of personal considerations. This feature is, of course, a survival of the feudal system, as Mayor Ozaki, of Tokyo, who is also a member of the lower House, has pointed out in an article in a magazine called *New Century* (*Shinseiki*). He wrote as follows: "The fact is that the majority of our politicians are still subject to feudal notions. Their attitude to the president of a party is precisely that of the retainers of a *daimyo* to their lord.

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. . . This is feudalism."[1] But the parties are less and less one-man parties; they are managed more and more by small or large committees of leaders.

One peculiar feature of the political party system in Japan is the almost absolute lack of economic-class groupings. There have been geographical groupings, some of which, perhaps, had a slight connection with economic problems; and there have been attempts to bring the "business men," for instance, into organized coöperation. But even on the question of the land tax, which bears most heavily on the agricultural class, there has been no permanent grouping. The tariff question, which has only recently loomed large on the political horizon, may affect the political situation; but at present, the parties are purely political.

Japanese political parties, with all their faults, have certainly made great progress. Lay well says: "Considering the brief period which has elapsed since political parties had their origin in Japan, and making due allowance for the faults incident to youth, one cannot but be struck with the position they have now attained."[2] Whether the present Saionji cabinet proves able to maintain its position a long time or not; whether it succeeds or not in making permanent the establishment of party government; even if there should be, at the worst, a return to a non-partisan cabinet, the reaction will be only temporary. One writer said, before the last change of cabinets: "A *Seiyukwai* cabinet will be only a care-taker." The Japanese word, like the English equivalent, designates one who takes care of a place during the absence of the real possessor.[3] Some prophesy that, in a year or two, the Saionji cabinet will give way to a more conservative Terauchi cabinet. But, in any event, the principle that a cabinet must be responsible to the dominant party in the lower House has been established. Even a Terauchi cabinet, like a Katsura cabinet, would find it necessary to maintain an

[1] From a summary in the *Japan Daily Mail*, no. 8070.

[2] Lay, *loc. cit.* p. 460.

[3] Gains at the last election (May 15), especially at the expense of the bureaucratic party, have increased the *Seiyukwai* majority in the lower House and still further confirmed the power and influence of the party.

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entente cordiale with the dominant party.[1] The *Japan Times*[2] says that, "notwithstanding all the evils of the party system," party government will be welcome, "because it will get rid of a self-bureaucracy, assuming the leadership of the nation."

Still another feature in the growth of the influence of the political parties is the fact that the members of the lower House represent an increasing electorate. According to the first law of election, a voter had to be a male Japanese subject over twenty-five years of age, residing for more than one year in the district in which he voted and paying direct national taxes of not less than fifteen *yen*. Under this law, which was in force from 1890 to 1898, the number of persons entitled to the franchise was only from 450,000 to 500,000. But, as the new law, which has been in force since 1898, has reduced the tax qualification to ten *yen*, the number of electors has now increased to about 1,500,000. And it is not at all unlikely that before long the law will be further amended by reducing the tax qualification to five *yen*. A bill granting universal male suffrage was carried through the lower House but was shelved in the upper House. Fortunately, female suffrage is not yet an issue in Japan! However, the gradual extension of male suffrage will increase the influence of political parties and the power of public opinion.

Only twenty-one years ago, when the first Diet met under constitutional government, it was pretty generally acknowledged, as Ito expressed it in his *Commentaries on the Constitution*,[3] that "Ministers [of State] are directly responsible to the Emperor and indirectly so to the people"; and "the power of deciding as to the responsibility of ministers is withheld from the Diet." But such "transcendental cabinets," as they have been aptly called, are no longer possible; for the political parties, imperfect though they are, have behind them the people of the empire.

ERNEST W. CLEMENT.

TOKYO, JAPAN.

[1] "Even supposing the successor of Premier Saionji to be Count Terauchi, the latter could not hope to completely undermine the foundation of the existing great political parties, however bitterly he might dislike the party principle."—*Japan Times*, October 16, 1912.

[2] October 12, 1911.

[3] Tokyo, Igirisu-Horitsu-Gakko, 1889.

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THE COURTS AND THE PEOPLE[1]

THE Constitution of the United States and those of all our states indicate clearly that their framers have never been willing to vest unlimited power in the legislative department of government. The fear of legislative oppression which prevailed when the thirteen colonies first resisted the supremacy of the Parliament across the seas found expression in limitations on legislative action, couched both in general and in specific language. With slight change these clauses have remained in all our fundamental instruments of government. Yet, by some curious oversight or design, those who imposed the restrictions failed to designate clearly the mechanism by which they should be defined and maintained.

In the course of our political evolution the judiciary has become the agency which keeps legislation within the bounds described. By the eleventh amendment to the federal Constitution the jurisdiction assumed by the federal courts was slightly diminished, but their general power over legislation was left undisturbed. With full knowledge of the power wielded by their courts, our states have adopted constitution after constitution, all characterized by limitations on legislative power and by an absence of designated machinery to make the paper prohibition an actual restraint. These omissions can be construed only as a sanction of the means actually operating. To one who views a constitution of government as something deeper and more vital than a written parchment, the power over legislation now exercised by the judiciary rests on as firm a foundation of grant as do any of the carefully enumerated functions of the legislature or of the executive.

It is but natural, however, that this judicial function, unique in the annals of government, never conferred in precise and definite language, should provoke controversy as to its genesis and legal validity. Current popular interest in the question whether the existing method of controlling legislative action is satisfactory has directed renewed attention to its original basis. Mr. Dougherty has restated in readable form the con-

[1] The Courts, the Constitution and Parties. By Andrew C. McLaughlin. The University of Chicago Press, 1912.—vi, 299 pp.

Power of Federal Judiciary Over Legislation. By J. Hampden Dougherty. New York, G. P. Putnam's Sons, 1912.—viii, 125 pp.

Majority Rule and the Judiciary. By William L. Ransom. New York, Charles Scribner's Sons, 1912.—xx, 183 pp.

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tributions of Hamilton and of Webster, of Thayer, of Coxe and of Professor Beard. Professor McLaughlin, in the most important essay in his volume under review, has surveyed the field anew, and with rare appreciation of the purport and the weight of evidence has contributed a judgment which may well be regarded as definitive.

Marshall's decision in Marbury *v.* Madison furnishes the leading judicial precedent sustaining the right of a court to declare invalid the statute of a coördinate legislative body. His argument sought its justification in the assumed essential nature of a written constitution, its supremacy over the statute of a legislature, and the duty of the court, in declaring the law, to give effect to the superior rather than to the inferior enactment. The judicial interpretation of the meaning of the Constitution was invested with a certain objectivity, as though it were part of the web and woof of the instrument itself. This, says McLaughlin, was to assume the very point at issue:

> The thing, then, to be explained is why Marshall assumed that, if the Constitution was law, the courts must place their interpretation on it and not recognize the right of the legislative body to determine its own rights under it. . . . Of course other states of the world have written constitutions; but they have not as a rule been considered law in the sense that the courts can and must pass on them in opposition to the legislative judgment. . . . The explanation of Marshall's position must be sought in the historical background, not in mere logical disquisition on the Constitution alone; certainly we cannot rest the judicial authority simply on the supposition that a written constitution can and must be interpreted by the courts.

Professor McLaughlin's study of this historical background demonstrates that the assertion of this judicial power was in every way consonant with the political and philosophical thought of the Revolutionary era. The notions and principles of those days he regards as of surpassing influence, although he concedes that none of them nor all of them demand, by absolute logical necessity, the exercise by the judiciary of the power to cast aside the legislative enactment. These notions and principles he summarizes as follows:

> the fact that the main contention of the Americans was that Parliament was not possessed of absolute authority; the belief that there were certain principles of right and justice which all governments must consider and that the obligation to consider them constituted a legal limitation on governmental authority; the assertion that these fundamentals were embodied in the English constitution, which was fundamental and unchangeable because it embodied these fundamental and unchangeable principles; the

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conviction that the courts were under obligations to declare void an act of Parliament violating the principles of natural justice and reason, a conviction supported by reference to English decisions and opinions of great judges; a declaration, closely connected with the preceding, that there is a fundamental law which the legislature cannot change, a principle, however, which did not come by any means solely through a perusal of English authority and legal decisions, but from text-writers of continental Europe who embodied the principles of philosophic thinking;

and, most important of all, the principle of

the separation of powers of government and the independence of the judiciary, which led the courts to believe that they were not bound in their interpretation of the Constitution by the decisions of a collateral branch of the government.

Professor McLaughlin lays frequent emphasis upon the fact that this assumption of power by the courts to declare laws unconstitutional did not imply in their minds the superiority of the judicial to the legislative branch of government. It was an assertion, not of superiority, but of independence. The logical application of the doctrine of separation of powers still leaves the other departments free to base their action upon their own interpretation of the Constitution. Confusion would result, no doubt. But, as the author indicates, such confusion would be simply one of the theoretical and logical results of the principle of the separation of powers. Professor Goodnow has pointed out that we have developed political parties to obviate the difficulties presented by other phases of the attempt to apportion governmental power among distinct departments of government. So, says McLaughlin, the executive and the legislature have acquiesced in the judicial interpretation of the Constitution to avoid the chaos which would ensue from the exercise of a similar power of final interpretation on their part.

Professor McLaughlin does not seek to buttress his conclusions by citing the expressed opinions of the framers of the Constitution. He contents himself with reference to the article on "The Supreme Court—Usurper or Grantee?" in this QUARTERLY (volume xxvii, pages 1–35) and with the comment that Professor Beard's investigations are of great force, if they are not absolutely conclusive, in sustaining the presumption that the framers must have intended that the courts should exercise this power. Mr. Dougherty, on the other hand, though he insists that the meaning and intent of the Constitution must be learned from the instrument itself and not from the opinions of the framers or their chance utterances in debates in the Convention,

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devotes some twenty-five pages to those opinions. His discussion seems to be based almost entirely upon Professor Beard's research.

Nearly half of Mr. Dougherty's volume is an abstract or exposition of matter already treated in greater detail by Coxe in his *Judicial Power and Unconstitutional Legislation*. A serious criticism that must be directed against Mr. Dougherty's analysis is that much of the evidence (*e. g.* that on pages 2, 3, 36-54, 94-100) by which he seeks to establish the right of a court to declare invalid the legislation of a *co-ordinate* body bears only on the duty of the judicial department of a superior government to confine the activities of *subordinate* law-making assemblies within the limits of the sphere circumscribed by some superior. More specifically, he deduces the power of the federal judiciary over statutes of Congress from precedents and constitutional provisions which relate merely to the duty of the judiciary to disregard any state enactment, statutory or constitutional, which interferes with the supremacy of the federal Constitution and the laws and treaties of the national government. This mistake Professor McLaughlin never makes. He suggests, however, that there is an "intimate logical and practical connection between the right of a federal court to declare a state law invalid, as a violation of the constitution or law of the United States, and the right to declare a law of Congress invalid." But his suggestion is offered merely to aid in explaining how the power came to be exercised, not to indicate a ground upon which to infer a grant.

Another striking difference between the attitude of the two authors appears in their employment of eighteenth-century philosophy. To Professor McLaughlin, its importance lies in its strong if not determining influence upon the men who developed the doctrine of judicial review. Mr. Dougherty seems to regard it as the expression of certain fixed and eternal principles of nature to which all laws of men must inevitably be subject. Quoting the statement of Burke, that "judges are guided and governed by the eternal laws of justice, to which we all are subject," and approving the declaration of Evarts, that "it is the law of the land that the judges are to declare, and not the *will* of any power in the land," he affirms:

> These are not sentiments for a particular epoch, but for all time. To assume that society can ever be constructed upon any other principles is like assuming that we may get beyond the influence of the law of gravitation. . . . Ours is and has always been a government of *laws*, not of men. A government of laws presupposes a fundamental law, written or unwritten, with which all legislation should harmonize, and the existence of an authority to determine whether a law conflicts with the Constitution.

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Through all our history the power has rested with the judiciary. A government of men makes the human will supreme.

Whatever the origin and justification of this power of judicial review, the general principle seems firmly implanted in our constitutional system. Equally secure, however, is the principle that the power which makes a constitution may alter it. If a court cannot find authority in a constitution for the legislative action taken, the requisite authority may be conferred by amendment of the constitution. Conversely, an amendment may deprive the legislature of a power judicially found to have been conferred. The eleventh and thirteenth amendments to our federal Constitution, and the proposed sixteenth amendment, all furnish striking examples of changes in the fundamental law as previously interpreted by the Supreme Court.

A study of the various constitutions in the United States reveals considerable diversity in the methods provided for proposing and enacting amendments thereto. Many a constitution offers a choice of methods. This choice and this diversity seem to represent diverse notions of what is preferable as an amending process in general. They bear no relation to the varying ends which different amendments may have in view. Recently, however, there appear suggestions that none of the methods now in service are entirely satisfactory for that particular class of amendments which aims to release a legislature, seeking to promote the general welfare, from the ban of restrictions which the courts have found embedded in the so-called general prohibitions of our constitutions. These suggestions furnish the subject matter for Mr. Ransom's volume, the scope of which is best indicated by its sub-title: "An examination of current proposals for constitutional change affecting the relation of the courts to legislation."

Mr. Ransom devotes chief attention to the proposal popularly known as "the recall of judicial decisions." This term he rightly regards as misleading, since the suggestion relates only to a limited class of judicial decisions, and since it is not proposed to disturb in any way the specific judgment or decree of a judicial tribunal. It applies only to the decisions of state courts declaring unconstitutional, under the due-process clause of a state constitution, a state statute passed in the exercise of the police power. It suggests a referendum on the question whether the statute shall be the law of the state, in spite of the judicial declaration that it does not conform to the requirements of the due-process clause of the state constitution.

Such a referendum on a specific statute, Mr. Ransom contends, in-

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volves less tampering with the organic law of the state than does the present method of general amendment. This essentially conservative character of the new proposal was first pointed out by Dean William Draper Lewis of the University of Pennsylvania Law School. The method now in operation, by forbidding the application to a particular matter of those constitutional principles on which the court based its decision, repeals all restraints on legislation relating to the matter designated. The author believes that this goes far beyond the practical object of the amendment, which is merely to open the way for the specific statute previously declared unconstitutional. It takes away from the courts all power to interpose any bar or barrier to any sort of legislation on the subject which "an erstwhile legislature might enact, socialistic and foolish, crude and unjust, unscientific and unworkable though it might be."

Another advantage claimed for the suggested mode of referendum is the simplicity of the issue presented to the electorate.

> Under it the people would vote simply upon the particular act and not upon anything framed in general terms. The time and method of voting would be in the precise formula now in vogue for popular action upon constitutional amendments, excepting, probably, a slightly greater period for deliberation and consideration would be required before the vote was taken. The people would be required to pass opinion not, as now, upon a legal abstraction, comprehensible only to the trained mind, if to any, and bearing no evidences of a direct or tangible relation to anything in the popular mind, but upon a concrete and particular act of remedial legislation, which would mean a definite and readily explainable thing. . . . That kind of a "referendum" would be far different than summoning the voters to pass upon a legal jargon or a vague platitude.

The objection that the electorate is not competent to pass upon a legal question is met by the assertion that the test of what is a proper exercise of the police power, and so of what is within the conception of due process of law, depends, not upon matters of law, but upon matters of fact. This part of the argument is rested upon the oft-quoted statement of Mr. Justice Holmes: "The police power extends to all the great public needs. It may be put forth in aid of what is sanctioned by usage, or held by the prevailing morality or the strong and preponderant opinion to be greatly and immediately necessary to the public welfare." The recognition of this principle by the Supreme Court of the nation, says the author, obviates the necessity of applying this new specific to their decrees. The pathological reason for administering it to occasional decisions of state tribunals lies in the fact that

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some of them, like the New York court of appeals, insist that the proper exercise of the judicial function inexorably requires the court to disregard the test of "prevailing morality" and "strong and preponderant opinion" in favor of "the ancient and fundamental principles which were in existence when our constitutions were adopted." The referendum is urged as an effective means for advising the court as to the facts on which their decisions should be based—that is, the prevailing morality and preponderant opinion. It is relied on to secure the substitution of the twentieth-century test of the Supreme Court for the eighteenth-century philosophy applied by the courts of some of the states.

Thus runs the argument. Much of the discussion in the volume relates merely to the desirability of securing some form of popular control over the judiciary. Its materiality to the advocacy of "direct popular re-definition" as a substitute for "general amendment" depends upon the validity of the author's assertion that the amendment method has proved ineffectual in practice. Such an assertion should be based on a wider survey than the author presents. Practical needs should be the determining influence in passing judgment upon proposed constitutional changes, however innocuous or alluring the theory of any new suggestion may seem.

Mr. Ransom's book presents by far the most illuminating and comprehensive discussion of the topic which has thus far appeared. Its attitude is temperate and judicial. Whether the reader agree with the conclusions or not, he will find suggestions adapted to promote a more intelligent consideration of this much controverted question than has hitherto prevailed. In addition to the discussion already noticed, there are chapters outlining the author's reasons for disapproving of proposals to secure more immediate popular control over legislation by recalling the judges or by depriving them of all power to pass on questions of constitutionality.

Mr. Theodore Roosevelt contributes to Mr. Ransom's volume an introduction, dealing vigorously with the merits of the proposed "recall of judicial decisions" and the demerits of some of the gentlemen who do not favor it.

THOMAS REED POWELL.

COLUMBIA UNIVERSITY.

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REVIEWS

The Origin and Growth of the American Constitution. An Historical Treatise, in which the Documentary Evidence as to the making of the entirely new plan of Federal Government embodied in the existing Constitution of the United States is, for the first time, set forth as a complete and consistent whole. By HANNIS TAYLOR. Boston and New York, Houghton Mifflin Company, 1911.—xlii, 676 pp.

The sub-title of this work is here quoted in full because it warns the reader that he is to expect no mere conventional treatment of our Constitution, but, to borrow a phrase which is much in Mr. Taylor's vocabulary, "a wholly novel theory" of its origin. In 1908 Mr. Taylor addressed to Congress a "memorial" which was printed and widely distributed, in which he set forth the theory which is here reproduced in a more detailed fashion. For the benefit of those who are not familiar with the "memorial" the essence of the theory may be briefly stated. The common source from which the authors of all the "plans" that were presented in the Federal Convention (except the New Jersey plan, which was proposed merely as a suggestion for amending the Articles of Confederation) drew their inspiration was a pamphlet written by Pelatiah Webster and published in 1783, entitled: *A Dissertation on the Political Union and Constitution of the Thirteen United States of North America.* On the strength of this pamphlet Mr. Taylor, in his "memorial," hailed Webster as the "architect" of the Constitution; and in an appendix to the present work the dissertation is reproduced as the document "in which is embodied the first draft of the existing Constitution of the United States." It becomes the reviewer's duty to examine the arguments upon which this revolutionary theory is based and the historical methods employed by the author in reaching his conclusions. It is perhaps rash to undertake this task, for Mr. Taylor asserts that "every honest and reasonable mind" will admit his claim that the plans of Madison, Hamilton and Pinckney, and hence the Constitution itself, were based upon Webster's dissertation.

In the first place, Mr. Taylor's historical method in general affords an extreme illustration of what a distinguished scholar has recently

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declared to be a universal rule in the writing of history: "We go forth, every one of us, with a mind furnished, ill or well furnished, but furnished, either with positive purposes or negative prejudices. And according to that equipment we seek what we want and we find what we seek." Mr. Taylor carefully selects his evidence and rejects what does not suit him. For example, the origin of English institutions (discussed in chapter iii) is presented from the point of view of an uncritical follower of the extreme Teutonic school. The manner in which the author talks about the "German mark" and the "village moot" of Sleswick (as though these hypothetical entities had unquestioned existence) makes a judicious student of history rub his eyes in amazement. Mr. Taylor is quite certain that the Anglo-Saxons "expelled the native race, and then replanted their ancient and peculiar system of political institutions in a free and unencumbered soil from which they drew absolutely nothing" (page 52). This unfortunate habit of offering theories as though they were facts—and of suppressing facts as well as theories if they happen to be unfavorable to his view—exposes his method to the gravest suspicion; it suggests the frame of mind of the special pleader rather than that of the historian. Let us examine the results of the application of his method to the problem of the origin of the Constitution of the United States.

In the following words Mr. Taylor informs us that Pelatiah Webster was the real author of the Federal Convention and the Constitution:

> In response to his first bugle call, made, as Madison tells us, as early as 1781, the "Continental Convention" he was the first to propose assembled in May, 1787, to make a new Constitution; in response to his second bugle call, made February 16, 1783, three men of genius went to that Convention bearing with them as a basis for its action, in rigidly constructed formulas, his invention, "the most wonderful work ever struck off at a given time by the brain and purpose of man" [page 46].

If these statements be true, one could say of Webster, misquoting the famous words which have been attributed to Louis XIV: "He was the Constitution." But are they true? Assuming that Webster was the author of the pamphlet published in 1781 which proposed a convention (though Bancroft cast grave doubt upon his authorship), did he originate the idea? Unfortunately for Mr. Taylor's theory, the great publicist and pamphleteer Paine had written in *Common Sense*, which was published in January, 1776, and was the most influential pamphlet of the whole revolutionary epoch:

> Nothing but a continental form of government can keep the peace of the

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continent. . . . Let a continental conference be held, to frame a continental charter, drawing the line of business and jurisdiction between members of congress and members of assembly, always remembering that our strength and happiness are continental, not provincial. . . .

And in 1780, in the pamphlet *Public Good*, Paine returned to the subject and again suggested a continental convention to frame a constitution. As evidence against the author's statement that Webster was the first to propose a convention, Paine's proposal needs no comment.

There is, moreover, other opposing evidence, to which Mr. Taylor endeavors to giving a coloring favorable to his theory. The fact that Hamilton, speaking in Congress on April 1, 1783, expressed a desire for a convention, is thus accounted for:

> The effect of Webster's initiative on Hamilton was almost instantaneous. On April 1, 1783, just six weeks after the publication of the great document [Webster's dissertation], Hamilton expressed in Congress, for the first time, his desire "to see a general convention take place, and that he would soon, in pursuance of instructions from his constituents, propose to Congress a plan for that purpose; the object would be to strengthen the Federal Constitution" [page 41].

Here, however, Mr. Taylor's quotation carries the disproof of his explanation, for it will be noticed that Hamilton was voicing the sentiments of his constituents. Is it reasonable to suppose that, within the period of six weeks from the publication of Webster's paper, the people of New York (Hamilton's constituents) had been so much impressed with its contents that they caused him to be instructed to make a proposal based on that document? If Mr. Taylor had been less concerned in carrying a point and more anxious to ascertain the truth, he would have discovered that Hamilton had expressed himself in favor of a convention long before Webster's paper was published. In his famous letter to James Duane, written September 3, 1780, he definitely proposed a constitutional convention. In view of this suggestion of Hamilton, made more than two years before the publication of Webster's dissertation, it is wholly gratuitous to assume that that document influenced him in proposing a convention.

The next theory of the author that demands consideration is that the "plans" which were presented in the Federal Convention were based on Webster's dissertation. His discussion of these "plans" is hopelessly confused (see pages 12, 33, 36, 44). His discussion of the Pinckney plan, in particular, displays his utter incapacity for handling documents. Historical students have known for years that the docu-

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ment printed as the Pinckney plan in the "journal" of the Convention which was published in 1819 is not the plan which Pinckney actually presented to the Convention. But Mr. Taylor not only prints in his appendix as the Pinckney plan the document whose spuriousness has been demonstrated over and over again, but actually refers to Professor Jameson, who is perhaps the most conspicuous of those who have shown that the so-called Pinckney plan is not authentic, for proof that it is genuine! "... Professor Jameson and ex-Chief-Justice Nott have, in a luminous and convincing way, demonstrated the genuineness of the copy of that all-important plan furnished by Pinckney to the Secretary of State in 1818" (page 9). It is unfortunate that Professor Farrand's *Records of the Federal Convention* had not appeared when Mr. Taylor wrote his rhapsody about the Pinckney plan; in that work are printed the spurious plan and also an attempted reconstruction of the plan which Pinckney actually presented; but theories so tenacious as those of Mr. Taylor could probably not be dislodged by any evidence, no matter how conclusive. Of course the argument that Pelatiah Webster's suggestions were offered to the Convention through the medium of the Pinckney "plan" is at once overthrown when it is known that the so-called "plan" was never presented to that body.

Mr. Taylor is of course concerned to show that the Constitution is quite similar to Webster's dissertation. Here is a good example of his method of proof: "Webster proposed that the executive power should be vested in a President surrounded by a cabinet or council composed of the 'great ministers of state'" (page 148). This suggestion seems to resemble our president and cabinet. But what Webster actually said, in his pamphlet, is this:

> I would further propose that the aforesaid great ministers of state shall compose a Council of State, to whose number Congress may add three others, viz., one from New England, one from the Middle States and one from the Southern States, one of which to be appointed President by Congress, to all of whom shall be committed the supreme executive authority of the States (all and singular of them ever accountable to Congress) who shall superintend all the executive departments and appoint all executive officers, who shall ever be accountable to and removable for just cause by them or Congress, *i. e.*, either of them.

It thus appears that what Webster really proposed was not a president choosing his ministers or heads of department, as the Constitution provides, but ministers chosen by Congress, one of whom was to be designated to act as president. The president would thus be, with respect to the ministers, simply *primus inter pares*. The scheme sug-

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gested by Webster thus bears no resemblance to the provisions of the Constitution relating to the president. There was, moreover, certainly nothing new in the idea of ministers chosen by Congress. In the Duane letter, before referred to, Hamilton suggested that "Congress should instantly appoint the following great officers of State. A Secretary for Foreign Affairs, a President of War, a President of Marine, a Financier, a President of Trade." Indeed, before Webster wrote his paper several such secretaries had actually been appointed by Congress.

That the federal government should have the power of taxation Mr. Taylor regards as Webster's most fundamental and revolutionary concept. He is literally lost in admiration of this "path-breaking" proposal. But in fact there was nothing at all novel about it. It had been frequently suggested before Webster's paper appeared. For example, in the *Continentalist* Hamilton had publicly proposed that this power should be given to the federal government, and the same suggestion had been made still earlier by him in the Duane letter. The proposed revenue amendment of 1781 would have given the taxing power to Congress.

A difficulty which might be regarded as fatal to Mr. Taylor's theory is the circumstance that there happens to be no reference to Webster or to his dissertation in the records of the Convention. It would be scarcely possible that this should be the case if the Constitution were in reality based on that document. Mr. Taylor's manner of escape from this dilemma is delightfully naïve. It is also typical of his historical method.

> If we possessed the full text of that elaborate exposition [Madison's Notes], reviewing no doubt the entire subject, we might find frequent references by Alexander Hamilton to the work of Pelatiah Webster . . . Whether any direct reference was made during the four months of debate to that document [Webster's dissertation] is, however, of no special significance, as such reference could neither increase nor decrease its authenticity and its importance [page 15].

One is tempted to add that when Mr. Taylor has a point to prove no contrary evidence is of any "special significance."

Mr. Taylor has not proved his case for Webster, for the good reason that it cannot be proved. This is not to deny that the dissertation was of some importance, but its author was not the "architect" of the Constitution. Writers of Mr. Taylor's temperament and enthusiasm should leave documentary history alone.

R. L. SCHUYLER.

COLUMBIA UNIVERSITY.

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The President's Cabinet. Studies in the Origin, Formation, and Structure of an American Institution. By HENRY BARRETT LEARNED. New Haven, Yale University Press, 1912—xii, 471 pp.

A History of the President's Cabinet. By MARY L. HINSDALE. Michigan, George Ware, 1911—ix, 355 pp.

It is not often that two so valuable books on the same subject appear within the space of a year. Between the two we probably have all we shall need for many years in the nature of a formal study of the president's council of advisers. If there is room for a third book on this subject, it should probably attempt to give the average citizen a short and clear description of the cabinet as it is today.

Mr. Learned begins with a chapter on the significance of the English cabinet; then he tells us by what means cabinet functions were performed under the Continental Congress; and after that he traces the development of the cabinet idea in the Constitutional Convention of 1787. The constitution-makers rejected suggestions for revising and appointing councils; but they could not so easily throw aside the plan for an advisory council. Some members of the convention wished to make such a body depend on the legislature, or to derive it from some other source than the executive. They believed that such an arrangement was necessary to avoid giving the executive overwhelming power. But after discussion it was decided to make the council depend on the president's will. The clause in which is found authority to create the cabinet is a simple one: it merely gives the president power to require the written opinions of the principal officers of state in matters pertaining to their respective departments. In Mr. Learned's opinion, the constitution-makers foresaw that this would lead to a council as vigorous as was necessary. Mason, of Virginia, and probably others, thought it gave the executive dangerous powers.

The cabinet was a fixed institution by the end of Washington's first term (chapters iv, v and vi). The statutes creating the departments of state were silent on the subject, and it was the will of the president that brought the heads of department together in a council. This all seems elementary enough, but it is often forgotten; for, as the author relates, a United States senator much esteemed for his historical learning recently said: "The law alone creates the cabinet." On the contrary, custom is the origin of the cabinet. Washington might have conducted the government without such an institution; and it is a fact that each cabinet is just the kind of a cabinet the president chooses to

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make it. With some presidents it has been a truly consultative body, and its decisions have been more or less binding on the head of the government; but with others, notably with Jackson, it was a kind of council of war at which the orders of the commander were issued to the chief lieutenants. The truth is, the cabinet, being an extra-legal affair, takes its character from the will of the man who is, for the time being, the head of the government. In this sense it is difficult to say that the cabinet undergoes development, since a change introduced in one administration may be revoked in the next. It was, however, in 1907 that the institution was at last mentioned in a law and to that extent received statutory recognition. At that time the salaries of the chief officers who are members of the cabinet were fixed at $12,000 a year.

Six of Mr. Learned's thirteen chapters deal with the general features of the cabinet. The last of these treats of the happenings from 1793 to the present. This is an unexpectedly brief treatment, but is probably explained by the author's announced purpose to treat cabinet practices in a subsequent publication. Such a treatment is necessary for a complete understanding of the cabinet, but, if the temptation it offers be not resisted, it may run into a rather extensive history of American political affairs. Such an attempt Mr. Learned has not yet wished to make. The last half of his book deals with the new departments of state created since 1789 and presents, in a final chapter, some general "Conclusions." For the most part the style is excellent. There are occasional repetitions, but these, no doubt, spring from the author's desire to be clear.

Miss Hinsdale's plan has been to present the history of the cabinet administration by administration. A short introductory chapter brings the reader through the pre-constitutional period, after which each president has a chapter. Three general chapters close the book, dealing respectively with "The Principles of Cabinet Making," "The Cabinet and Congress" and "The Cabinet and the President." In the main part of the book the author gives much of what Mr. Learned calls the processes of the cabinet; but here she is not always fortunate in her judgments. For example, we are told that Jackson's cabinet was weak, that it was reorganized, that members were dismissed or asked to resign, and that there was a "Kitchen Cabinet." But there is no intimate disclosure of the inner party motives which made the cabinet what it was, which led to its reorganization, and which made its history throughout subsequent vicissitudes. Miss Hinsdale in this part of her work has used manuscript material to a considerable

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extent, and her book, as a whole, shows great industry. If the reader feels a certain lack of poise and judgment, he should remember that to gain an understanding of the many men who made up the political life of a long period of struggle and progress is a task which a lifetime of labor by the most earnest student may well leave incomplete. The author is to be commended for her conscientious examination of a vast amount of material and for presenting her results in a solid and well arranged form. Her three concluding chapters leave little to be desired in regard to the relations which they undertake to treat.

J. S. BASSETT.

SMITH COLLEGE, NORTHAMPTON, MASSACHUSETTS.

Le Roi et ses ministres pendant les trois derniers siècles de la monarchie. Par PAUL VIOLLET. Paris, Librairie de la Société du Recueil Sirey, 1912.—x, 614 pp.

In his earlier work on the political institutions of France, *Histoire des institutions politiques et administratives*, Professor Paul Viollet has traced the development of the French constitution to the close of the middle ages. The volume before us is properly a continuation of this work and carries the discussion down to the close of the eighteenth century or, more specifically, to 1789. In this study, however, the author deals with the central administration only; in a future work, "si Dieu me prête vie," he hopes to complete the subject by studies on the clergy, the estates general, the great judicial bodies and the finances of the monarchy. It has, of course, not been possible to eliminate these subjects entirely from the present work on the king and his agents, but their treatment is incidental only.

The work begins with an introductory chapter on the kingdoms and dominions of the kings of France. We are accustomed to look on the territories ruled by the Bourbons as one French kingdom; but the author shows that several patches of border territory, such as Bearn, Navarre and Provence, claimed an autonomous existence and were joined to France by some sort of personal union. Time soon reduced the autonomous rights of these territories to mere fiction; "mais combien chère aux Provençaux, cette fiction!" (page 14). The expansion of the French dominions toward the Pyrenees, the Alps and the Rhine is traced in some detail, and considerable attention is paid to the terms of the great series of treaties that began with the adjustments of Cateau-Cambrésis (1559). Colonial expansion is also touched upon, and an account is given of the international privileges enjoyed by the Bourbon monarchs, especially in the Ottoman Empire,

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where they had inherited certain exceptional rights as heirs of the crusading chiefs.

The discussion of French kingship properly begins with a study of the theory of divine right. As to the origin of this theory the author has nothing new to offer; but he seems to believe that the doctrine might have had far less importance in history had it not been for the vast extension of royal power, which gave the crown an appearance of divinity in popular eyes. The influence of the Protestant revolt on the growth and acceptance of this theory is not discussed; but ample space is given to the writings of Bossuet on this subject, and the importance of his views is carefully brought out.

Two external powers claimed superiority to the French king—the pope and the emperor. To the claims of the emperor slight attention is given: he was treated with great deference by the kings of France, but this rarely went beyond words. The author does find isolated instances of apparent submission to the emperor on the part of the king of France, but to these he attaches no importance. Of far greater interest is Professor Viollet's discussion of the relations that existed between the king and the pope. The efforts of the king to extend his authority over the border lands between temporal and spiritual authority led to the Gallican controversy, of which the author gives an extended account. He seems to hold that the revocation of the Edict of Nantes (1685) was an attempt to make the declaration of 1682 less offensive to the papal taste. He also calls attention to a later assertion of the Gallican principles—this time in the interest of toleration for Roman Catholics in Britain—when the younger Pitt requested the opinion of the University of Paris and several other Roman Catholic faculties as to papal authority over British Catholics (page 135).

Professor Viollet finds, however, that there were other and more real limitations on the king's authority in the governmental system itself. Bourbon absolutism was largely a matter of theory. The bureaucratic machine that centered at Versailles ruled not only the nation but the king.

Louis XV, qui fut à peu près la dernière personnification de cette théorie superbe du droit divin, Louis XV n'avait pas même la liberté de sa propre diplomatie: c'est en cachette de ses ministres que, craintivement, comme une sorte de courtier marron courant chaque jour le risque d'être désavoué, il essayait d'agir personnellement sur les cours de l'Europe [page 77].

En effet, c'est toujours, ou, du moins, c'est presque toujours le Conseil du prince qui régit. C'est au Conseil qu' appartient la haute direction des affaires [pages 160, 161].

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This was true on the legislative as well as on the executive side of the government. The king was the supreme legislator; but the author emphasizes the importance of the officials who assisted in drawing up the laws. Their work was frequently more than clerical; they often inspired the laws that they put into form.

The historian consequently finds it necessary to devote a large part of his work to the organization of the central administration: the chancery, the king's secretarial force, the department of finance and the secretaries of state. In all the various fields of administrative growth, interesting parallels to corresponding officials and activities in England appear and suggest reciprocal influences; but this is a phase of the subject that the author has not attempted to present.

Most important, perhaps, is his discussion of the origin and development of the offices of secretaries of state, as we have in them the beginnings of the ministry in its modern form. In 1547, Henry II elevated four of his numerous secretaries to higher positions in the government, assigning to each certain districts in France and certain foreign countries as fields of authority. The modern departmental system was reached only after a long and gradual development. As introductory to the history of the modern ministry in France, the author discusses the position of the chief minister, whose power is shown to have been derived from no single office but from of a group of offices. More than a page is required to enumerate the positions held by Cardinal Mazarin, each of which contributed something to the sum of his powers and revenues. It is well known that Louis XIV wished to act as his own chief minister; Professor Viollet, however, believes that the dignity in fact was permitted to continue: "certains secrétaires d'État de Louis XIV (bien dignes du titre de ministres qui ordinairement leur fut donné) mériteraient d'être appelés premiers ministres, si grande fut leur influence personnelle" (page 260).

Two long chapters follow in detail the reconstruction of the French army and the development of the military marine. While recognizing that a system that allows a privileged class to monopolize official positions in the army has certain solid elements, the author sees clearly its inadequacy and its evil results. He shows in the same connection that the efforts to maintain this monopoly had their origin in a humanitarian motive: it was an attempt to aid the aristocracy; for "la noblesse traîne bien souvent une existence gênée et presque misérable; elle inspire un sentiment voisin de la pitié" (page 372).

The extension of royal authority into the provinces is the subject of the closing chapters. In these the author gives an account of certain

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great public services that were undertaken by the state, such as the inspection of mines, the improvement of highways, the postal service and the erection of public buildings; he also traces the history and discusses the functions of the provincial intendant. The efforts of the government, just before the Revolution, to reform the system that had been built up so laboriously during the Bourbon period is briefly alluded to but not discussed in detail.

It is not possible in the space of a brief review to give an adequate idea of the wide fields or of the variety of subjects that Professor Viollet has found it necessary to cover and present in this study. So far as the reviewer is able to judge, the work has been done with thoroughness and care. The narrative is written in the author's lively and informal style and makes easy and interesting reading. His digressions may be criticized as not always pertinent and sometimes confusing; but they are always informing and usually have some connection with the main theme. It is doubtless true that the ethics of dueling was as vital a matter to some Frenchmen of the time as the theory of divine right. Professor Viollet shows no great sympathy for the old régime, but he tries to do justice to its aspirations and is sparing in the use of exclamation points. The reviewer is pleased to note the presence of an index, though on the side of the subject matter it is not so complete as might be desired.

LAURENCE M. LARSON.

UNIVERSITY OF ILLINOIS.

The Origin of the English Constitution. By GEORGE BURTON ADAMS. New Haven, Yale University Press; London, Henry Frowde, Oxford University Press, 1912.—378 pp.

In the present volume Professor Adams presents, as a coherent and complete whole, his theory of the origin of the limited monarchy in England with which students of the English constitution have become familiar through his articles published during the last few years in the *English Historical Review* and in its American namesake. Professor Adams has done more, however, than merely bring together these papers. Of the first three chapters, introductory to the main theme, two are entirely and the third is mainly new. The fifth chapter, containing some discussion of the clauses of the Great Charter, is also for the most part new. By using for the discussion of critical and technical matters the notes appended to the several chapters, the author has succeeded in keeping the text relatively free from detail and in making it available for the use of others than professed specialists.

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Readers of this class, however, if the book fall into their hands—as it should—will regret that most of chapter v was not similarly relegated to the merciful category of matter to be skipped.

Professor Adams's theory of the origin of the limited monarchy is thus stated by himself:

> The thesis of this book is that this English national constitution . . . is a direct outgrowth of the earlier feudal constitution of the state; that it rests wholly upon foundations that were laid in the feudal age; that the distinctive features which made the English a constitution of a new type in the political history of the world came in the germ from feudal arrangements and were developed under the influence of principles derived from feudal law. The English limited monarchy of later times could never have been regarded as a direct outgrowth of the Saxon, non-feudal state, as it existed for instance under Cnut, except by a preconceived and strained interpretation of the facts of history. . . . It was the thorough feudalization of England which resulted from the Conquest that made the constitution possible, not by establishing a strong monarchy against which primitive Teutonic liberty reacted later, but by introducing with the strong monarchy a new conception of the relation of the king to those of his subjects who in that age constituted the nation, and who alone could constitute it, by introducing the definite contract-idea of the feudal system.

Professor Adams is careful to define his use of the term "constitution." By this

> is not meant the whole system of government, all the organs of the state, the whole political machinery, national and local. What is meant is the machinery of a limited monarchy, those devices by which an absolutism, once existing in fact, can be retained in form and theory while the real government of the state is transformed into a democratic republic.

It might thus appear that "The Origin of the Limited Monarchy" would be a more accurate title for this work than the one which the author has chosen, since it is with this feature of the constitution and not with the constitution as a whole that he is concerned. Indeed, he perceives the possibility of this criticism, and he meets it by telling us that "if we once undertake to separate the distinctive features of the English constitution which are due to the development of the limited monarchy from those that are not, we shall find so little of essential importance left in the second class that it will hardly seem worth while to make the distinction." That is to say, the problem of explaining how the English constitution came to differ from all others is the problem of accounting for the limited monarchy.

After describing the regular, feudal organization of the Anglo-Norman

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government, the origin of which he seeks in the Frankish, not in the Anglo-Saxon state, and after explaining the operation of the non-feudal element, the royal prerogative, Professor Adams deals with what he calls "The First Age of Change," the Angevin period, from the accession of Henry II to the reign of John, principally in order to show that by the rapid development of the prerogative the monarchy was tending toward a complete absolutism, and would become one unless absolutist tendencies could be checked. The principle that was destined to hold them in check was the principle "that there is a body of law above the king which he may be compelled to obey if he is unwilling to do so." According to Professor Adams, this principle "was derived directly from feudalism, and . . . it was the work of the Great Charter of 1215 to transfer it from that system then falling into decline to the newer governmental system just beginning to be formed." In extorting the charter from John the barons not merely compelled him to promise to keep the law, but set up machinery to constrain him to keep his promise. This was furnished by clause 61, which legalized insurrection as a last resort if the king persisted in violating the charter. Of this clause Professor Adams says: "A clumsy arrangement, impossible to operate with success, no doubt; but we should never forget that it was the first step ever taken in history towards what we know as a limited monarchy."

In the chapter on "The Immediate Results of Magna Carta" Professor Adams shows how, during the thirteenth century, the idea underlying the charter, the guiding principle of the constitution as he holds it to be, was perpetuated and acted on, and so strengthened that it could never be forgotten nor permanently overridden.

R. L. S.

The Constitutional History of England since the Accession of George III. By Sir THOMAS ERSKINE MAY. Edited and continued by FRANCIS HOLLAND. London, Longmans, Green and Company, 1912.—Three volumes: xvi, 468, xiii, 441, xvii, 398 pp.

May's famous work has done service for two generations of students, and, now that it is supplemented by a third volume, bringing it down to the present day, it promises to have a new lease of life. The original text, tracing the broad outlines of English constitutional development from George III to about 1860, remains unchanged in this new edition, save for a few corrections and explanatory notes by the editor. Of this nothing needs to be said. It is an orderly and

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dignified view of the venerable British fabric, as seen from a well-appointed town house or across the broad acres of a country estate.

The third and new volume by Mr. Holland, as far as presentation is concerned, is a worthy associate of its predecessors, although it may be doubted whether May would have thought so, because the author views with complacency, if not with sympathy, the advance of England from Whiggery to democracy and from democracy to radical reform. "It can hardly be denied," he says in the preface, "that the general state of the British people has been and is one of progressive improvement; and, if this be so, even pessimists must admit that the changes which they dislike have not hitherto justified their forebodings." Mr. Holland follows May's method of treatment; that is, he is systematic rather than chronological, and he treats the last forty years of constitutional history under the following heads: parliamentary reform; party; the Irish home-rule movement; religion and the state; local government after 1870; reforms in the civil service; the army and the judicature; the self-governing colonies after 1860; and the Parliament Bill. The spirit of the author is studiously fair, and his narrative is based upon the primary and obvious sources, no attempt being made to exploit the mysteries supposed to lie in memoirs and unpublished documents. In a volume so conceived and executed there is, naturally, nothing startling. There are no judgments to quarrel with, for they are all balanced and considerate; there are no new and strange facts to note, for the author traverses ground familiar to those who know their parliamentary debates, the statutes and the *Times*.

In closing the volume, one cannot help feeling that the changes recorded by Mr. Holland are even more momentous than those narrated by Sir Erskine May, and that England stands on the eve of greater changes still. As Mr. Holland himself puts it:

> The Parliament Act is but the first step in the constitutional settlement. Both parties are pledged to a complete reform of the constitution of the House of Lords. . . . Schemes for the federation of the United Kingdom are in the air, and the promised concession of self-government to Ireland may prove the first step in their accomplishment. Who can say how the question of the powers and constitution of a second chamber may be affected by such changes as these? The constitution is now at the disposal of a vast and mobile electorate, to whom tradition and history mean very little. To this electorate, as to all the successive depositaries of power, the flatteries of ambitious men are addressed. A modern theory, resting on no historic basis, seeks to show that the main function of the House of Lords has always been to give effect to the permanent and con-

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sidered will of the people, whereas in fact it is as a check to democracy that a second chamber is really useful, and it was always justified as such in former times, not only by Tories but by Whigs.

Mr. Holland nevertheless takes courage, in the face of a trial of democracy without the great balance of the House of Lords, by recalling the way in which the British constitution has so far held together, in spite of assaults from every direction and in spite of the dire prophecies of the conservatives.

C. A. B.

Democratic England. By PERCY ALDEN. New York, The Macmillan Company, 1912.—271 pp.

The word "democratic" Mr. Alden does not use in the ordinary political sense, for he does not undertake to show how reform bill followed reform bill throughout the nineteenth century, how an ever-widening franchise altered city government, nor how a hereditary second chamber declined before a popularly-elected House of Commons. He takes that for granted. On the other hand, he does not use "democratic" to signify a vague tendency toward idealistic equality. A hypothetical future for democratic England is discussed as little as an obvious past.

The book deals in a practical way with the newer developments in the scope and functions of government—the socialization of politics, if the phrase may be used. England, a great industrial country, with a hundred and one serious problems arising from its very industrial pre-eminence, and at the same time with a form of government simple and capable of being actually managed by a large electorate, has naturally become of late years a veritable laboratory for experimenting with social legislation, a conspicuous example of the utilization of present-day political democracy for social ends. Precisely what has been done along these lines in England Mr. Alden endeavors to make clear. He accordingly writes of the problems of child labor, sweating, unemployment, sickness, old age, housing, municipal ownership, labor organization and land monopoly, summarizing the partial solutions which have been offered under the auspices of the present Liberal government. To the growth of the new Labor party and to an awakening among the younger Liberals—Lloyd George, Winston Churchill, J. H. Hobson, Charles Masterman and others—Mr. Alden ascribes the state activity of the last seven years. The underlying principles of the new political faith are set forth very neatly:

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Without claiming too much for the new programme which the Liberal party has put forward, this, at least, may be asserted with confidence, that it implies a desertion of the old individualist standard and the adoption of a new principle—a principle which the Unionists call socialistic. If it be true that a positive policy of social reconstruction savours of socialism, then, of course, this contention can be justified. The main point is that the function of the State in the mind of the Liberal and Radical of to-day is much wider in scope than seemed possible to our predecessors. The State avowedly claims the right to interfere with industrial liberty and to modify the old economic view of the disposal of private property. Liberalism recognizes that it is no longer possible to accept the view that all men have an equal chance and that there is nothing more to be done than merely to hold evenly the scales of government. As a matter of fact, the anomalies and the injustices of our present social system have compelled even our opponents to introduce ameliorative legislation. But the Liberal of to-day goes further. He asks that such economic changes shall be introduced as will make it possible for every man to possess a minimum of security and comfort. Property is no longer to have an undue claim; great wealth must be prepared to bear burdens in the interests of the whole community. Our social system must have an ethical basis.

The book is clearly and pleasantly written; and though intended primarily for the general reader rather than for the special student, it should serve all as an excellent introduction to one of the greatest movements of modern times. Written by an earnest advocate of social reform, a powerful partisan upon the floor of the House of Commons, it sometimes reflects too strongly the author's predilections. The Conservatives are too often grouped together as a hopeless, reactionary, almost wicked party; the well-nigh revolutionary Land Acts that preceded the advent of the Liberals to power in 1905 are passed over hurriedly; and the labor program of Mr. Joseph Chamberlain is depreciated. Minor mistakes in fact appear here and there: the Independent Labor Party was founded in 1893, not in 1896 (page 220); and knowledge of the act of 1802 would have prevented the author from asserting that "at the time of the accession of Queen Victoria not one single act of Parliament represented the parental interest which the State ought to take in the welfare of the young" (page 31). It is not necessary to minimize the social achievements of the nineteenth century in order to emphasize those of the twentieth. The latter are great enough of themselves to merit attention.

Mr. Charles F. S. Masterman has written a sympathetic introduction.

CARLTON H. HAYES.

COLUMBIA UNIVERSITY.

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The Imperial Conference of 1911 from Within. By SIR JOHN G. FINDLAY. London, Constable and Company, 1912.—vii, 175 pp.

Only one-third of this monograph is devoted to the conference itself. The principal aim of the book is apparently to put forward a statement in support of the case that Sir Joseph G. Ward, the premier of New Zealand, submitted to the conference—the case for a closer constitutional union between Great Britain and the five oversea dominions to which responsible government was long ago conceded. Sir J. G. Findlay, who was attorney-general and colonial secretary of New Zealand from 1906 to 1911, is in full sympathy with the argument that the New Zealand premier submitted to the conference, and he states with much directness and force the reasons that underlie the New Zealand contention that the oversea dominions should be represented in an imperial council. The New Zealand plea is for an association of the dominions, in a definite form, for the efficient conduct of imperial affairs, including foreign policy, the conclusion of treaties, the maintenance of peace and the declaration of war.

At the conference Mr. Asquith emphatically declared that the British government would not permit its responsibilities in these grave matters to be shared by the oversea dominions; and he met the proposal for closer constitutional union by intimating that any scheme for such closer union must originate with the oversea dominions. The other dominions represented at the conference showed no practical interest in the New Zealand proposal. It can accordingly be said that these proposals have thus far been regarded only in New Zealand as within the realm of practical politics.

Sir J. G. Findlay's statement of the case is none the less informing to students of the British colonial system, through his examination of the constitutional ties that now hold Great Britain and the dominions together, and through the examples he gives of cases in recent years in which the royal assent to legislation by the New Zealand Parliament has been reserved by the governor. When a bill is so reserved, it is sent to England, and the British government then decides whether or not it will override the New Zealand Parliament—that is the will of her people—and prevent the bill from becoming a law. As recently as 1911 New Zealand passed a bill providing that in vessels coming to the ports of that dominion the crews should be paid the rates fixed by the arbitration court awards. As an ancillary provision, there was a clause imposing certain stamp duties on vessels not paying such rates, both provisions being intended to protect New Zealand sailors from

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competition by Lascars in vessels trading between Australia and New Zealand. This measure was reserved by the governor and was not sanctioned. Nor was this an isolated instance. Since 1895 eighteen bills, some of them of much importance, have been reserved, and several of them were not sanctioned. It is a grievance with Sir J. G. Findlay, and apparently with other New-Zealanders, that the dominions have no voice nor any form of representation in the government which ultimately decides whether the will of their legislatures is to be overridden. Under these conditions Sir J. G. Findlay points out that, if the oversea dominions are a "galaxy of free nations," they are so mainly because Great Britain does not choose to interfere with them; and that, if the autonomy they possess is "absolute, unfettered and complete," it is due more to the good-will of Great Britain than to any defined constitutional rights.

The two earlier chapters, on the statesmen who took part in the Imperial Conference of 1911 and on its methods of work, admirably supplement the colorless *verbatim* report of the part of the proceedings of the conference that was issued as a bluebook by the British government shortly after the conference had concluded its work.

EDWARD PORRITT.

HARTFORD, CONNECTICUT.

The Theory of Distribution and Consumption. By T. LLOYD. London, James Nisbet and Company, 1911.—xvi, 508 pp.

This book is a popular discussion of nearly everything that might concern the interests of a British subject, except the theme suggested by the title. The preface explains that the greater part "of the inquiry into the theory of consumption was originally contributed to the *Statist* newspaper." The real purpose of the book might be said to be that of answering the question: What ails Britain, and what can be done to help her? That Britain is in a bad way the author concedes or assumes; but protection, he declares, is not a remedy for her ills. Protection does not, will not, increase the consuming power of the people; "production is limited by consumption"; "the only effectual way of increasing the employment both of labor and capital, and thereby sensibly raising the well-being of the whole population, is to augment the consuming power of the people"; "the real cause of greatness is the character of the people; and the main thesis of the present work will be an inquiry into the causes which produce the character that makes a people exceptionally prosperous and great."

In these broad propositions, laid down somewhat dogmatically and

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with comparative brevity, are to be found the slight justification for a title suggesting a treatise on economic theory. The author then goes on to show that there are so many ways in which Old England has failed to keep up with some of the other progressive nations of the world and to improve her real opportunities, that it is not necessary to turn to the fallacious explanation of the English tariff reformers and to the desperate remedy of a protective tariff. The fundamental defects both at home and in the colonies are found in bad and insufficient education, in backward sanitation, in cumbersome land laws, in antiquated agricultural methods, in inadequate banking facilities, in undeveloped transportation and in various other things.

The four main divisions of the book are determined by mingled geographical and political considerations: (1) the United Kingdom; (2) India; (3) the Crown colonies and protectorates; (4) the self-governing dominions, commonwealths and unions. Passing in review a variety of topics on which no one man could be an authority, the author shows a remarkable range of information, of interests and of remedies. If the consuming power of the vast populations of the British empire can be enhanced and these markets kept open by free trade, a scientifically sound and practicable method of curing Albion's ills will be applied, instead of the mistaken one urged by British tariff reformers—so runs the argument of the book.

FRANK A. FETTER.

PRINCETON UNIVERSITY.

The History of the British Post Office. By J. C. HEMMEON. Cambridge, Harvard University, 1912.—xii, 261 pp.

This is a careful and painstaking study of the origin, early history and later developments of the British post office. Most care has been bestowed on the earlier history, especially in the period between the opening of the eighteenth century and the establishment of the modern system in 1840. The connection between the post office and the revenue is carefully traced; and the author shows clearly, though without emphasizing the fact, that it was the middle class, enfranchised by the Reform Act of 1832, that was chiefly benefited by the establishment of the penny post in 1840. The chapter on sailing packets and foreign mails is of peculiar interest; but here again it is the earlier period to which most attention has been paid, and the author's account of the present arrangements with the steamship companies for the carriage of the mails is totally inadequate. Only two pages are devoted to ocean mails during the whole period from 1870 to 1912. Similarly

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inadequate is the treatment of the parcels post; and the few paragraphs on money orders, postal notes and post-office savings banks are of less value than the statistics of these subjects in any reliable almanac. Ten pages are devoted to a statement of the position and grievances of the employees of the post office. The appointment and the findings of various committees are duly recorded, but the author gives no indication of any knowledge of this large human subject beyond what he has gathered from strictly official sources. There is a similar scantiness about the chapters on the telegraph and telephone systems. The author records the terms of the bargain by which the telegraphs were acquired by the government at enormously enhanced values. He discusses revenue and expenses, and gives the figures showing the losses of the post-office department in this branch of the service. He also shows that the losses do not result from the popular side of the telegraph service, which gives the people the benefit of cheap telegrams, but rather from bad bargains with railroad and newspaper companies. The short chapter on the telephones was evidently written before 1911. It makes no attempt to describe or criticize the working of the national telephone system which came into being at the beginning of the year 1912.

It would have been better had the author limited his work to the period before 1840, of which he could then have given a really adequate history. The attempt to bring his narrative down to modern times and to keep it within moderate limits results merely in creating an impression of scanty and unsatisfactory treatment.

A. G. PORRITT.

HARTFORD, CONNECTICUT.

English Apprenticeship and Child Labor: A History. By O. JOCELYN DUNLOP. With a Supplementary Section on the Modern Problem of Juvenile Labor. By O. JOCELYN DUNLOP and RICHARD D. DENMAN. New York, The Macmillan Company, 1912.—390 pp.

A timely and useful piece of work has been done by Miss Dunlop in her history of English apprenticeship and child labor. This history covers the industrial occupation of children from the earliest time of which there are any records down to the end of the nineteenth century. The modern period has been the subject of much writing, of enquiries by royal commissions and of many parliamentary speeches; and for this period Miss Dunlop has not anything of consequence to add to what was already known. The value of her book lies in the earlier history, and especially in the contrast she has drawn between the idea and

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motive of child labor before and after the beginning of the factory era. The fact is emphasized throughout that child labor is no new thing. Children have always worked as soon as they were able to help their parents and contribute to their own support. Even the overworking of children, Miss Dunlop shows, was not new when the factory system came into vogue. Unsanitary conditions and overlong hours of work had characterized many small industries, which were not organized into gilds, long before the condition of the children in the cotton factories of Lancashire began to attract public attention. What was new in regard to the employment of children when the factory era began was the public opinion which tolerated their employment merely as cheap labor and without regard to their later career as adult workers. Under the old apprenticeship system, neither law nor public opinion tolerated the exploiting of the labor of children for the master's profit. The master was under the obligation to instruct his apprentices; and the old system, under which the apprentice became a member of his master's family, ensured careful discipline and all-round training as well as the learning of a definite trade.

With the coming of the factory system all these conditions were changed. The child was no longer in personal touch with the master, and the herding of many children together in the factories made for harsh treatment and for immoral and unsanitary conditions. But even more serious than these evil results was the fact that, with the employment of children on a large scale in connection with the newly invented machinery, their training for adult life was entirely lost sight of. Children became of economic value as workers, and they were employed solely with a view to extract as much profit as possible from their labor. The first record of the utilization of child labor in this way was in 1785, when the calico manufacturers obliged their workmen to apprentice their sons. Although journeymen then had the utmost difficulty in finding work and were discharged at every slack period, there was always a demand for boys. So great did this evil of the exploitation of child labor become, in the next half-century, that in 1842 a sub-commission was appointed to enquire how far the early employment of children was of service to them in obtaining work as adults. The report of this commission was the first official recognition of the problem of blind-alley employments for boys and girls. Not much attention was then paid to this aspect of child labor, and until the end of the nineteenth century remedial legislation—acts curtailing the hours of labor of children and prohibiting their employment in mines and in night work—was chiefly directed to the humane object of freeing the children

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from overwork and from physical and moral injury. It is only with the opening of the twentieth century that the nations are awakening to the enormous importance of providing that the child shall first of all be prepared for life as an adult; and it is because this problem has become insistent and is now engaging the attention alike of educators and law-makers, that Miss Dunlop's scholarly history of child labor and apprenticeship is of especial value at the present time.

A. G. P.

The Legal Position of Trade Unions. By HENRY H. SCHLOESSER and W. SMITH CLARK, London, P. S. King and Son, 1912.—xxiv, 268 pp.

To those who wish to familiarize themselves with the history, the working and the present legal status of British trade-unionism, the book of Messrs. Schloesser and Clark will prove of singular value. It is so inclusive as to be practically complete: it is scarcely conceivable that any point likely to be of interest to lay students of the legal position of British trade unions can be suggested which is not amply covered in these pages. It has been compiled with evident care, and it is clearly written.

The introductory chapter is concerned with the position of trade unions before the act of 1871, which is often referred to as the charter of British trade-unionism; with the enactment, working and final break-down of the Statute of Laborers and the Statute of Apprentices; and with the combination laws that were enacted and enforced between 1799 and 1824. There were few acts forbidding the combination of workmen prior to the nineteenth century. After the act of 1799 had been reaffirmed and codified in 1800, every combination for obtaining an advance in wages or other improvement in working conditions was illegal; and while a single employer was at liberty at any time to turn off all his workmen, it was an offence for the workmen to leave the employer in a body if he refused to give them the wages they asked. The repeal of these laws came in 1824; but thereafter trade-union members could be convicted of conspiracy under an act passed in 1825. In one instance there was a conviction for merely writing to the employer that a strike would take place; and as late as 1856 it was declared from the bench that all combinations tending directly to impede and interfere with the free course of trade were not only illegal but criminal.

The act of 1871 relieved trade unions of this liability. It also gave

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protection to their funds; and, as the authors show, it remains today the principal act defining the legal position and liabilities of trade unions. All the acts directly affecting trade unions passed between 1871 and 1906 (both years included) are given in appendices, as are the regulations made in 1876 and 1890 by the home secretary for the registration of trade unions. In another appendix (number v) is a statement of the powers of trade unions under the National Insurance Act of 1911; and finally there is a schedule of all the cases that have been before the courts since the decision of the House of Lords in 1909 in the case of Osborne *v.* The Amalgamated Society of Railway Servants. This is the case in which it was decided that it was illegal for trade unions to devote any part of their funds to political propaganda or to the support of Labor members in the House of Commons. Since that judgment was given, eighteen trade unions have been enjoined from levying contributions on their members to be used in securing representation on municipal councils or in Parliament. Trade-union litigation, in such cases as those instituted by the Taff Vale Railway Company and by Mr. Osborne, has had a large share in the making of political history in England in recent years—a fact that makes the *Legal Position of Trade Unions* of service to students of contemporary politics as well as to students of trade-unionism. For students of British trade unionism it is a companion volume to Mr. and Mrs. Sidney Webb's *History of Trade Unionism*.

E. P.

The Negro in Pennsylvania, 1639–1861. By EDWARD RAYMOND TURNER. Washington, The American Historical Association, 1911.—xii, 314 pp.

This essay won the Justin Winsor prize in American history in 1910. In the preparation of his book, Dr. Turner seems to have made use of pretty much all the material, both printed and manuscript, that in any way relates to his subject. He makes mention in the preface of having examined no less than three thousand printed volumes, ten thousand pamphlets and fifty thousand pages of manuscript. He devotes thirty pages to his catalogue of sources and literature, and at least one third of the remaining two hundred and fifty pages is taken up with citations. On its face, accordingly, the work is exceptionally exhaustive and thorough, so far as the collecting of material is concerned. If one is willing to accept the theory that history has for its chief aim the collection and orderly arrangement of facts, no fault can be found with

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this essay. Dr. Turner's happy faculty for mastering these two essentials of historical work, together with his lucid explanations and simple and direct style, mark him as an author and scholar of unusual ability.

In arrangement, the author follows for the most part the chronological order. The first chapter, "The Introduction of Negroes into Pennsylvania," confirms the general impression that the number of negro slaves imported was not very great as compared with the numbers brought into the southern, or even the other middle colonies. This was due partly to economic conditions, partly to the character of the early inhabitants, both the Quakers and the Germans being opposed to slavery on moral grounds. Dr. Turner does not go out of his way to suggest that this Quaker and German moral opposition may have been, after all, merely economic. One who has a strong sympathy with the Marxian theory of the economic interpretation of history could hardly have refrained from doing so. Most of the attempts made by the legislature of Pennsylvania, like those made by other colonial legislatures, to prohibit the importation of negroes by means of a high tariff, were frustrated by the Lords of Trade in England.

In the four succeeding chapters, treating of the negro as a slave, the author finds that slavery was always mild. The legal position of a slave differed from that of a servant only in that the slave was held for life and was tried in separate courts under a peculiar code of law; but this code was little harsher than the general law of the day respecting servants. Individual masters began manumitting their slaves early in the eighteenth century; and the movement continued until, in 1780, the legislature passed an act providing for gradual abolition. By the opening of the nineteenth century, slavery had practically ceased to exist in Pennsylvania.

Chapters six to ten deal with the negro from the time he ceased to be a slave until the passage of the Fifteenth Amendment gave him complete political rights in Pennsylvania as elsewhere. In the early part of the period, most of the negroes were held either as indentured servants or as apprentices. From this status they gradually passed to the position of freemen, but only in so far as civil rights were concerned; political rights were not generally accorded them, and in the constitution of 1838 they were denied the franchise altogether. From a thorough examination of the newspapers of the day, as well as from other sources, Dr. Turner finds that the lot of the free negroes in Pennsylvania during this period was not, in most cases, a very happy one. Their economic position was low, they suffered from their own shiftlessness, and they were the victims of an unusually violent race-prejudice—a prejudice

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that cannot, as ordinarily, be accounted for on the ground that negroes were very numerous. At that time, in fact, out of the aggregate population, not more than two or three per cent were negroes.

This race prejudice the author explains, partially at least, in his last two chapters, devoted to the anti-slavery movement and to fugitive slaves. The opponents of slavery, who banded themselves together in abolitionist and anti-slavery societies, were unpopular in Pennsylvania as elsewhere, and hatred of these disturbers of the nation's tranquillity often expressed itself in prejudice and even violence toward the unfortunate objects of their zeal. Furthermore, the character of the average runaway was none too good. As a rule, he was perhaps of the "smart" type, and doubtless in most cases he had been brutalized by ill treatment. Perhaps, also, as was the case with many of his brethren in the South when they became free, he felt that freedom meant freedom from work. Some work, however, he had to do; and in some of the larger cities the number of fugitives was sufficient to cause alarm on the part of white laborers, who feared a depression of wages from so great an influx of cheap labor. Whatever the cause or combination of causes, the poorer whites in Pennsylvania did not like negroes. The hatred then engendered has by no means died out, as the recent Coatesville lynching shows.

In conclusion, attention should be called to Dr. Turner's accurate use of the two terms, "abolition" and "anti-slavery." The proper use has been completely reversed in popular usage. Dr. Turner is to be commended for attempting to correct this error: he applies the word abolition to the earlier and milder opposition to slavery, and anti-slavery to the later and more violent antagonism. The fact that the old usage has been accepted by some eminent historians does not seem an adequate reason for continuing so gross a misapplication of terms.

B. B. KENDRICK.

COLUMBIA UNIVERSITY.

Municipal Franchises. By DELOS F. WILCOX. New York, Engineering News Book Department, 1910, 1911.—Two volumes: xix, 710, xxi, 885 pp.

There has long been need for a treatise on American municipal franchises based on the idea of protecting public rights and property; and Dr. Wilcox has so adequately met this need that the Philistines of politics and "promotion" will hardly thank him for his achievement. As he remarks himself (I, 24), the volumes will be "useful only to those persons, either officials or private citizens, who are in good faith

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seeking for light upon this most complex problem and who approach the subject, not from the standpoint of personal or private interests, but from the standpoint of public good." The two volumes embrace: (1) a statement of the many problems arising in connection with the granting and exploitation of franchises; (2) an almost monumental compendium of facts about the actual treatment of the several varieties of franchises in American cities; and (3) a summary of principles derived from experience. The author first examines the general features of franchises, such as the acquisition of franchise rights, monopoly profits and methods of limiting them, the relation of public utilities to private persons and the modes in which franchise rights may be employed against the public interest. He then takes up pipe and wire franchises, and describes the precise ways in which selected cities have dealt from time to time with electric-light, telephone, gas, water and similar corporations. In the third part, he treats of transportation concerns, considering in turn perpetual, indeterminate, exclusive, compensated and low-fare types of franchises, as developed in representative cities. Surface, elevated, subway, bridge, omnibus, terminal and ferry utilities are discussed in separate chapters, and the recent important settlements in Chicago and Cleveland are singled out for special analysis. Quite properly, this massive digest of facts is crowned with a general survey, in which the author states and illustrates "the elements of a model franchise"—a phrase which he has made celebrated throughout the country. Finally, Dr. Wilcox devotes upwards of two hundred pages to the taxation and public control of franchises, examining such matters as statutory and constitutional limitations, the initiative and referendum as applied to the granting and extension of privileges, state and local supervision through commissions, assessment and levy of franchise taxes, and municipal ownership.

The author's body of doctrines, as seen in his presentation of facts and occasional recapitulations, may be summarized as follows: public utilities requiring special and permanent fixtures in the streets should be treated as monopolies; constant public control of capitalization and operation under indeterminate franchises is a fundamental principle to be applied universally; taxation may be used to bring to their knees corporations enjoying special and perpetual rights which cannot be touched in any other way, but, generally speaking, franchise taxes are in reality burdens on consumers and hence highly undesirable; in an age of franchises we should prepare for municipal ownership.

It must not be thought that Dr. Wilcox formulates theories only. On the contrary, he constantly gives the precise legal conditions which

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should be attached to franchises in order to obtain certain results, and he is always on his guard against unforeseen turns in the operation of corporations under their legal privileges. While on the whole favorable to municipal ownership, he is fully aware of the difficulties of securing and retaining expert public servants. Moreover, he is conversant with the ways of politicians, and does not imagine that the adoption of public operation would produce in them any sudden change of heart. He believes rather that the march of events is preparing the instruments of governmental efficiency; that, inasmuch as public control is now a recognized and imperative necessity and is penetrating into every corner of the physical operations of utility concerns, the municipal experts will come in due time, and the transition from private to municipal operation will be made without bringing in its train the evils of mismanagement often associated with public business. Whoever would quarrel with this statement of principles or the mass of facts which accompany it must needs have more space than can be allotted to a reviewer; but it may be said with certainty that Dr. Wilcox has broken the way for the education of the public in franchise matters and has rendered to the student, citizen and municipal statesman a service beyond all calculation.

C. A. B.

The Greek Commonwealth: Politics and Economics in Fifth-Century Athens. By ALFRED E. ZIMMERN. Oxford, Clarendon Press, 1911.—454 pp.

The author of this work is a lecturer at the London School of Economics and Political Science. The greater part of it was written during his residence in Greece as an associate of the British School at Athens. The local coloring and much of the geographical material, accordingly, come from personal acquaintance with the country. Pages 13–51 are devoted to geography, 54–204 to politics, and 207–413 to economics. About half the book is all economic and the remainder is mostly economic. "It is now generally admitted," Mr. Zimmern explains,

> that neither an individual nor a nation can be properly understood without a knowledge of their surroundings and means of support—in other words, of their geographical and economic conditions. This doctrine, obvious though it seems to-day, was somewhat slow in winning acceptance in connexion with the study of ancient Greece. The traditions of classical learning and the lack of relevant evidence combined to keep Greek scholars out of touch with newer methods of social inquiry. But during

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the last two generations, thanks mainly to the archæologists, this defect has been steadily repaired; and we now possess, and are entitled to draw conclusions from, a large and increasing mass of information about the economic side of Greek life. It is this accumulation of new evidence which, more than any other single cause, distinguishes the Greece of modern scholarship from the Greece of Grote and our grandfathers.

This new material has been made available mainly by the labors of French scholars, among whom Guiraud, Francotte and Cavaignac are perhaps the most eminent. In popularizing it and in applying it to the study of political conditions, Mr. Zimmern has performed a most valuable service for students of ancient Greek life. At the same time he takes into account the limitation of economics as a historical force. The aims and ideals of the Greeks were different from ours. The notion that we can apply our philosophy of life to the explanation of Greek history, as Ferrero attempted to apply it in the field of Roman history, is, to speak mildly, unscientific. We must permit the Greeks to explain their own life. Although in theory Mr. Zimmern recognizes this fact, he is in practice excessively inclined to modernize, as when, for example, he pictures the Athenian citizen regretting that he had not stopped for a mixed drink on his way to the assembly.

Most charming features of the work are a vivid style, picturesqueness, a portrayal of the Athenian people as creatures of flesh and blood, of feeling and habit. In these qualities it is unique. To all but the specialist it will be useful, too, in pointing out new sources of information. On the other hand, it is not especially profound or original or reliable or balanced in judgment or true in its perspective to the general course of Greek history. With these reservations the book may be heartily commended.

G. W. B.

Socialism and The Ethics of Jesus. By HENRY C. VEDDER. New York, The Macmillan Company, 1912—527 pp.

In this excellent and well-balanced treatise, Professor Vedder deals with socialism in the time of the Reformation; the beginnings of socialism in France; German socialism; anarchy; socialism in England; socialism in America; and, in a closing series of chapters, with the principles of socialism as they are related to Christianity and the church. The author knows the literature, and is objective and calm in his critical judgments. His summary of the so-called "socialism" of the Reformation period is timely and admirable. He is perhaps a little hard upon the Moravian communists (rather than socialists)

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when, on page 31, he calls their life "thoroughly respectable and deadly dull." Surely, as compared with the agrarian life about them, theirs was full of romance, world-wide interest and highly colored idealism. Nor is the statement (page 128) sound, that what Marx calls "surplus-value" is evidently what other economists call profit. Marx is often confused and difficult, but Professor Vedder's dismissal of his argument is far too summary, and is unfair to an important chapter in the history of economic thinking. The reviewer also ventures to doubt the truth of the statement (page 328) that on women has been bestowed the finer moral fiber and the higher spiritual endowment. This is popular and sentimental, but difficult to prove. It is to men that all the greater religious impulses must be traced, and in general it seems doubtful whether woman stands morally as high as man. The author's exceedingly frank estimate of Paul raises too many questions for a brief review. But the main charges brought against Paul (pages 455, 456) lie, in the reviewer's judgment, rather against theological misuse of Paul than against Paul himself. The assertion is capable of respectable defence that Paul had practically no speculative theological interests.

The points, however, on which the reviewer finds himself out of harmony with the author are slight compared to his fundamental agreement with the author's clear and sound differentiation of religious and economic values, and his careful assignment of both to their respective places in the unity of life. Each chapter lists a few of the best books on the topic treated, and there is an excellent index at the close.

The main position of the book, that the family is the source of ethical inspiration, and that its ethics must at last encompass the world, is so fundamental that so clear and interesting a restatement of it must be valuable.

THOMAS C. HALL.

UNION THEOLOGICAL SEMINARY.

Criminal Responsibility and Social Constraint. By ROY MADDING MCCONNELL. New York, Charles Scribner's Sons, 1912.—339 pp.

Mr. McConnell's book is divided into three parts. In Part I he treats of the aim of punishment, giving a chapter to each of the five theories, *viz.* expiation, retribution, deterrence, reformation and social utility. He gives a statement of each theory and a good summary of the arguments for and against each, except the social-utility theory, which he champions as the scientific and therefore the correct theory. He does not give any objections to this theory, although the individu-

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alist can and does find plenty of them. The individualist would say that society has no right to damage his individuality for the sake of "social well-being." The individual's right is more insistent, more in evidence and, to him at least, of more value than the vague rights of society. The individualist certainly would not consent that an individual be offered up, a recalcitrant sacrifice, upon the communal altar for the social welfare (*cf.* pages 83, 84). He would never, for the good of society, consent to turn over Smith, a fellow-citizen, to a band of blood-thirsty savages, who wrongly accuse Smith of the murder of one of their tribesmen and threaten to destroy the whole community unless Smith is surrendered. If the guiltless Smith wants to offer himself as a voluntary sacrifice to save the community, that is a different matter. The individualist would stoutly maintain that the individual has rights which society is bound to respect. Even the social utilitarian might decide that to buy safety for the community with Smith's life is to pay too dearly for it. Besides, who is to determine social utility? Shall the majority rule? If we accept that easy standard of judgment, we shall find ourselves solemnly sanctioning the magisterial poisoning of Socrates, the crucifixion of Jesus, the mid-winter exile of Roger Williams. I am not trying to overthrow the social-utility theory of punishment. It is, I think, the most tenable theory. I wish only to show that there are objections to this theory which the author should have considered.

Part II, entitled "Freedom in Crime," comprises twelve chapters devoted to a discussion of free will versus determinism. The author is a determined determinist. His argument is repetitious to the point of tedium; but nobody should expect to be highly entertained by metaphysical discussion. The author is neither a materialist nor a fatalist. He holds that character is made up of inherited tendencies plus acquired tendencies. Every experience exerts a modifying influence upon character. The inevitable conclusion is that the criminal commits crime; the fool, folly; the pedagogue, pedagogy; and the philanthropist, philanthropy—each according to his nature. The murderer's deed is necessitated by predetermining causes; so is the deed of the official who hangs the murderer at the bidding of society. Some men violate the laws; other men preach the sanctity of the laws. The latter act is just as "necessary" as the former. Society is but a curiously complicated mechanism, like the solar system, only it is alive and more intricate. This view of humanity cannot be denounced as illogical. The worst that can be said of it is that it is unmoral. At the same time it must be said that Professor McConnell is hardly fair to those who

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assert the freedom of the human will. They do not deny the existence of cause and effect. They merely contend that man is free to choose in certain cases. And, however enjoyable it may be as an intellectual exercise to argue about the doctrines of free will and of determinism, it is of little practical value to the lawmaker or the administrator. The advocates of each theory agree that offences against the law must be punished. They agree that rational men are accountable for their deeds; the one says "morally"; the other, "socially." Why, then, introduce philosophical controversy into the field of practical politics? It would be more politic if the criminologist, after stating both views of criminal responsibility in uncontroversial language, should point out how both doctrines lead to the same practical expedients for the discouragement of harmful acts. The active social forces would thereby be encouraged to generate more light and less heat.

Part III, containing chapters 17 to 24, inclusive, is called "Responsibility for Crime." Herein the author proves that determinism is at least as good as the free-will theory as a philosophy of criminal law, for it is shown to sanction the same legislation and the same administration that are sanctioned by free will.

The book contains more metaphysics than criminology. It contains, however, no index, and this even a work on metaphysics ought to have.

ROYAL MEEKER.

PRINCETON UNIVERSITY.

Quetelet, statisticien et sociologue. By JOSEPH LOTTIN. Paris, Félix Alcan, 1912.— xxx, 564 pp.

This is a large and erudite volume by the professor of *Moraltheologie* in the University of Louvain. It is a study in historical research and philosophical criticism. As an historical study, it is of very superior quality both as regards exhaustion of sources and judicial impartiality of presentation. Whether one agrees with the general philosophical position or not will doubtless be determined by individual reactions to the questions treated. In the preface the author tells us that his objects are to examine the basis of Quetelet's statistical method in the light of more recent theory; to estimate Quetelet's contributions to the development of sociology; to examine again, with minuteness, Quetelet's theory of freedom of the individual in relation with the social *milieu;* and finally to appraise the value of the concept "average man." The volume appears to the reviewer to be an effort to answer two queries: first, what is the extent of Quetelet's originality; second,

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what is the true meaning of statistical regularities with reference to the freedom of individual volition. The scholarly character of the work is evidenced by the extensive three-fold bibliography (pages xviii–xxx), in which are listed (1) the sources for biography, (2) Quetelet's own writings on social physics and (3) critical studies of Quetelet. The first of these sections includes 143 letters preserved in the royal library as well as letters and documents in the royal observatory at Brussels. The volume contains copious extracts from Quetelet's writings, but citation is so mingled with exposition that in some places the reader is in doubt whether the ideas presented are those of Lottin or of Quetelet.

The first and second parts of the volume (pages 5–191) are devoted respectively to the life and the statistical writings of Quetelet. Here the letters mentioned above are of some value. The author takes exception (pages 35–37) to the oft-repeated statement that the *Astronomie populaire* (1827) was placed on the Index. He gives careful attention (pages 128–138) to the question of priority between Quetelet and Guerry in moral statistics, establishing Quetelet's priority by a full year's margin. In Part II the author suggests what proves to be the chief conclusion of Part III, namely, that Quetelet derived his knowledge of the theory of chances from the French school led by Laplace, Poisson and Fourier, but that the application of the binomial law to anthropometric and social studies, though suggested to him by these writers and by Sir John Herschel, was developed by him in an original manner. In Part III, entitled "The method of the sciences of observation," and especially the first chapter on "The theory of probabilities," this conclusion is clearly set forth. The second chapter of this part (pages 224–329), on "The application of probability to observations," discusses the average, the deviations therefrom, and the problem of causation. The discussion of the latter problem is far from clear, owing partly to an apparent desire on the author's part to free Quetelet from the appearance of assenting to John Herschel's positivism (pages 231–233, 240, 241). Nevertheless the author's distinction between mathematical and "metaphysical" uses of the term "cause" is good. Thus the constant height of a man is a common cause for all of a series of measurements of that height; but such a cause must be differentiated from the physiological and physical conditions which are essential to the development of the real height sought. The author, however, does not make it clear that, scientifically speaking, a cause is merely an essential condition for the appearance of an event. He seems to think of cause as an active force.

As to the relation of statistical regularities to the doctrine of free will,

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the author holds that, though all other phenomena are subject to scientific explanation, "the effects of the free will escape the determinism which rules physical agents" (page 255). "The free will, in so far as it resists these influences"—psychological influences, whether individual or social—"is a new cause of complexity" (page 256). This would seem to imply that in the author's view the will is something apart from even individual psychological influences. Following Bertillon's distinction (page 263) between the objective average—such as would result from many measurements of the same thing—and the natural or typical average—such as would result from the heights of a group of men—he concludes (page 275) that the assimilation of these two is permissible if one is sure of the presence of common causes and knows the mode of their operation in the second case. The discussion here, as throughout, reveals the fondness of the author for formal though inconsequential distinctions. He denies (pages 276–283) that a statistical regularity evidences a scientific law, although he admits freely that "all phenomena of the physical world are subject to laws." "Statistical regularities are only would-be statistical laws (*pretendues lois statistiques*)" (page 283); indeed, statistics has nothing to do with phenomena the causes of which are determined (page 284). In the latter case the author evidently takes the presence of variation as the sufficient evidence of the absence of determination. Considerable attention is given to the idea of type. Here the principal conclusions are that the study of typical averages should be accompanied by the monographic method of intensive study of particular cases, especially cases which are found by statistical study to be typical (page 290); that asymetrical distribution does not prove the absence of common causes (page 304); that the value of the arithmetical average increases as it approaches the typical average; and that the type implies "a *natural tendency* to attain a predetermined end, in a word, a finality."

The reviewer questions the validity of the assumption of the presence of final causes and prefers to accept the view of Laplace which the author rejects (pages 313). It means nothing to say that "the conjunction of these (common) causes is dictated by nature itself" (page 317). That the author is rather fonder of philosophical and metaphysical speculation than of statistical and sociological analysis is shown by his discussion of final causes and the prevision of events on the basis of statistical regularities (pages 313–329). Though he is not always clear, he seems to imply that the statistical method is not an inductive method (page 329). He denies the possibility of establishing causal connection (as he also denies the possibility of discovering laws)

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by means of the law of chances. In general, it may be said that the author shows no familiarity with the recent developments of statistical methods.

In Part IV the author again takes up the question of the "originality of the system of Quetelet," showing the derivation of the ideas and fundamental theorems of Quetelet's social physics from the idea of social mechanics and the teachings of his master, Laplace. Differences between Quetelet and Comte, Süssmilch and Condorcet are discussed, and also Quetelet's conception of social dynamics (pages 392–412).

Part V considers "Free will and social laws." It begins with an exposition of the findings of moral statistics, Quetelet's views thereon, their source and their historical significance. The author's theory is that "the Belgian savant never upheld the *determinism of the individual will:* he defended *social determinism*, which he has carefully distinguished from the thesis of fatalism" (page 439).

There follows a curiously mediæval and scholastic attempt to reconcile individual freedom of volition and the idea of social laws through the mediation of moral laws (page 510). The author's position is not distinguishable from that of Quetelet and is even less free from confusing contradictions. He is a partisan of free will, but holds to social determinism and to sociological prevision (pages 498, 499 and *passim*). While admitting the influence of physical environment, social custom and physiological change on the individual, the author reserves a certain "power of resistance inherent in the individual" (page 511) which is the free will, whose action can not be exposed even by the psychologist, to say nothing of the statistician.

The reviewer feels that solution of the problem here discussed can be found solely in a full acceptance of the idea that true liberty is possible only under law. We may freely admit that the individual mind at all times operates under the hypothesis of necessary connection between antecedent and consequent states. Freedom comes then through knowledge: science, furnishing man an insight into the mode of operation of his own mind as of nature in general, gives him dominion over his own intellectual development. This is not fatalism. Fatalism is blind stumbling in the dark; this is driving a motor car on a broad highway with electric headlights.

Part VI (pages 517–558) is devoted to the idea "average man," physical and moral. This conception the author on the whole, rejects; largely because he discusses it as the type of primitive humanity, as the type of a race, as the type of beauty, and with reference to morals.

F. H. HANKINS.

CLARK COLLEGE, WORCESTER, MASSACHUSETTS.

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The Elements of Statistical Method. By WILFORD I. KING. New York, The Macmillan Company, 1912.—xvi, 250 pp.

The number of those who wish to be able to gather and to use statistical data intelligently, and to interpret the results of scientific investigation with discrimination and accuracy, is rapidly increasing. Theories are being tested by facts, and facts themselves are being scrutinized as to completeness and adequacy for the purposes for which they are used. Colleges and research institutions are training men to gather data and to reduce them to forms in which they will be understood by students and the intelligent reading public. The author is certainly right in his belief that there is a place for an elementary text in statistical method.

This book must be judged in the light of the author's own statement, in the preface, that "the purpose is to furnish a simple text in statistical method for the benefit of those students, economists, administrative officials, writers or other members of the educated public, who desire a general knowledge of the more elementary processes involved in a scientific study, analysis, and use of large masses of numerical data." The apprehensions of those who are not expert mathematicians are relieved by the statement that none except the "most simple of the mathematical theorems upon which statistical method is based" have been presented.

The text is divided into four parts. The first part presents a brief review of the development of statistical science, together with some discussion of the uses and sources of statistical data. The second part deals with the gathering of material and the third with methods and principles of analysis. The last part presents the more difficult discussion of methods of comparison, including correlation.

For the beginner in statistical science portions of Part III and especially Part IV will prove a disappointment. The author has approached the discussion from the point of view of a summary of principles and methods rather than from the point of view of the explanation of a new science and its application to the concrete data of social and economic life. The cultivation in the student of an attitude of common sense and discrimination toward the problems which he is trying to solve is neglected by the author when explanations are presented in too condensed a form and when formulæ and mathematical proof take the place of a clear exposition of purpose and an application of methods to concrete problems. That something has been omitted in the discussion of dispersion or correlation is a less serious defect in

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an elementary text than that the student or practical worker should fail to gain a clear understanding of the meaning and application of these terms. This method of exposition requires space, but it would seem to be essential with beginners. Mere formulæ are of little use to the beginner except to summarize and to make definite what has been explained. Furthermore, mere formulæ may lead the beginner in statistics into the serious error of believing that if he applies the formula to concrete data results that are valuable will always appear.

It will be well to make specific references to illustrate what is meant by this line of criticism. The demonstration, on page 133, that the sum of deviations (signs considered) of all the items from the arithmetical average equals zero, makes a perfectly simple thing look complex to the person not accustomed to mathematical demonstrations. Again, on page 135, the algebraic proof of the short-cut method of determining the arithmetical average is entirely superfluous for the beginner. The same may be said of the demonstration on page 151. It is quite needless, on page 145, to frighten the non-mathematical student or reader by an array of letters and formulæ which would have been clearer if presented in terms of an actual concrete case. On page 162 *et seq.*, in explaining the measures of skewness, the author might have made his presentation much clearer to the beginner or to the practical reader by carrying an actual set of data through, instead of using the unnecessary elaboration by letters and formulæ. The use of symbols in this case obscures the nature of the process he is explaining. Social and economic facts are too complex to permit the exclusive use of formulæ in their analysis. What the beginner in statistics requires is to be taught what method he is to use on the given data, and why he is to use it. What is appropriate for one set of data may not be for another. This fact the author himself clearly recognizes in his example on pages 172, 173. It is useless to state a formula until the groundwork has been laid for it.

In Part IV the difficult subject of correlation is approached in the same manner. In the first place, on page 197, the author presents, in heavy black type, a misleading if not an erroneous definition of correlation: "Correlation means that between two series or groups of data there exists some causal connection." As the reviewer understands the subject, the problem of causation is distinct from mere correlation, and it is one of the most delicate problems in correlation to know from what value of the coefficient causation may be inferred in the particular comparisons under discussions. For instance, a coefficient of .2 or .3 would not justify an inference as to causation, but there would be corre-

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lation. To place Pearson's formula in the hands of elementary students, as the author does, without a clearer idea of correlation and causation than the above definition conveys, is to tempt them to fallacious discoveries in that most important field of statistical science.

At the close of the chapter on correlation, in the reviewer's opinion, it would have been better to devote the space to a concrete effort to show the beginner what meaning attaches to "probable error" in practice and how the coefficient of correlation may be interpreted.

No attempt has been made to review errors in calculations or typographical errors, although several have been noted in the reading. The first two parts and much of the third part are excellent for one beginning the study of statistics; and in the hands of a careful teacher, who will pave the way to the summary statements and formulæ and modify the method of approach, in a manner exemplified in Elderton's *Primer of Statistics*, the book will prove very useful.

R. E. CHADDOCK.

COLUMBIA UNIVERSITY.

L' Émigration et ses effets dans le midi de l' Italie. By GIACOMO BARONE RUSSO. Bibliothèque des sciences économiques et sociales. Paris, M. Rivière, 1912.—223 pp.

M. Russo's thesis is so obviously true that one might doubt the need of writing a book to prove it, were it not that the problem of Italian immigration is complex, and that various special proprietary interests, ancient prejudices, new national aspirations and past mistakes in legislation have tended to obscure the facts. To the "cry of anguish" rising from the South, the ears of the Italian government have always been attentive. It has freely recognized that the great exodus of southern population is the direct result of miserable conditions of life; and to these conditions it has applied reforms, some beneficial, some abortive, but on the whole apparently inadequate to meet the situation. In the study of the problem the rôle of emigration has been the subject of divergent opinion, some regarding it as an obstacle to be combated by legislation, others as a remedial process, to be stimulated and systematically applied by the government. The author contends that it is neither the one nor the other. From a general study of the causes and effects of emigration, ancient and modern, and from a specific analysis of available statistics for southern Italian emigration, considered in relation to similar movements of population in other countries, he arrives at what he calls the essential spirit of such movements. Emigration, he maintains, is the automatic result of various economic,

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social or political forces, a natural product of conditions as they are; therefore to interfere with it, either by restricting it or by promoting it, obstructs the normal adjustment of these conditions to one another, and is harmful both to the emigrant and to the society from which he comes. Accordingly, three conclusions are formulated: spontaneous emigration is beneficial; the restriction of emigration as an evil is harmful; the stimulation of emigration as a remedy is bound to end in failure. The function of the government is simply to protect emigration in its natural manifestations, so that the full benefits of the adjustments it tends to produce may be realized.

For nearly a century the tendency of European law has been to recognize the right of emigration. In the eighteenth century there was a generally diffused notion that emigration was now a tool to be used as a relief for untoward conditions, now a menace to prosperity to be avoided. Both points of view depended on the theory that density of population could be controlled by emigration. M. Russo holds that the birth rate is an elastic thing that at once adapts itself to economic, social and political pressure; restricted emigration does not increase, promoted emigration does not diminish population. These conclusions, reached by general inferences for the earlier centuries, are tested specifically by more accurate data for the contemporary period in southern Italy. During the years 1861–1909 the population of Italy increased, in spite of emigration, from 24.5 millions to 34.3 millions. The increase during the period of greatest emigration (1900–09) was 1.79 millions, as against 2.36 millions during the period of minimum and practically negligible emigration (1868–78). The rate of increase in relation to the rate of emigration was therefore larger for the period of greater emigration. The proportion of marriages per thousand is highest (8.4) in the Basilicata, the region of greatest emigration; it is lowest (7.5) in Sardinia, the region of smallest emigration. In birth rate, Apulia and the Basilicata, with high emigration, have a similar advantage over Piedmont and Liguria, with little emigration. Mortality is generally higher in the South than in the North; but the greatest percentage of reduced mortality is again in the South, in the Basilicata. Of course the statistics do not present an unbroken set of phenomena, all pointing in the same direction; but the exceptions that occur are attributed by the author to unusual conditions of distress. The present falling-off in population in the Basilicata, for instance, he regards as merely temporary; and he finds marked indications of a coming increase.

In considering the beneficial adjustments of conditions of life resulting from emigration, M. Russo reviews a great variety of opinions from

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sources both interested and disinterested. Of its great advantages for the proletariat there seems to be no doubt in any quarter; that it has injured the prosperity of various middlemen, money-lenders, labor-contractors, small proprietors living on income from lands and the like is equally certain. Effects on the great proprietors are variously estimated. M. Russo insists that where apathy and selfishness are dominant among these owners, the effects have been justly punitive. Wherever a living wage is offered, hands have not been and will not be lacking. That the payment of a living wage is impossible, he scouts as a false analysis of the economic situation. In forcing reform in the management of great estates, emigration is considered as the chief cause of whatever progress has been made. That emigration has materially affected the industrial and military strength of the country is denied as a fact; and even were it true, it would simply show the impossibility of erecting military power on the basis of social and economic degeneracy. As proof of the general good effects, M. Russo cites the increase of remittances to poor families from abroad; the increase of money in savings banks; the increase of small ownerships of houses and lands; the growth of foreign exports to the United States and South America, which have doubled in a decade; and the development of the Italian merchant marine, which now controls 64 per cent of foreign transportation as opposed to 47 per cent five years ago. He cites also the reduction of criminality, of usury and of immorality, and the increased intelligence and political influence of the common people.

The volume concludes with a description of the means at present used for the protection of emigrants against fraudulent allurements, unsanitary transportation, unjust contracts and other forms of exploitation, with recommendations for the extension and improvement of these measures.

Against M. Russo's thesis the practical politician, the speculator with a momentary object to attain, the owners of vested rights, impatient of the passing inconveniences attending any progress of an evolutionary character, can find plenty of arguments. His book is nevertheless a lucid exposition of some of the fundamental principles on which any measures looking to a solution of the South Italian problem must be based.

ARTHUR LIVINGSTON.

COLUMBIA UNIVERSITY.

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RECORD OF POLITICAL EVENTS

[From May 1 to November 5, 1912]

I. INTERNATIONAL RELATIONS

THE BALKAN WAR.—The long-standing dispute between the **Balkan states** and the **Ottoman Empire** over the administration of European Turkey increased in bitterness throughout the summer. The Balkan states, taking advantage of the Turkish troubles in the Tripolitan War (see *infra*, p. 731) and desirous of adding to their territories, renewed their denunciations of the Ottoman government in Macedonia and their demands for reform in the administration of the Christian vilayets. Montenegro alleged a special grievance in the continued Turkish occupation of the Mojkovatz district, contrary to the Turco-Montenegrin protocol of 1911. Visits of King Ferdinand of Bulgaria to Austria-Hungary and to Germany, and of King Nicholas of Montenegro to Emperor Francis Joseph, and ministerial conferences in Russia and in Rumania were said in June to indicate that the Balkan states were actively soliciting from the powers assurances of non-intervention in case of war with Turkey. In August it was admitted that a Serbo-Bulgarian defensive alliance existed. Subsequently it was learned that Montenegro and Greece were included in the alliance. Riots in Macedonia, tribal conflicts in Albania and frontier massacres increased the ill-feeling. The spread of the Malissori rebellion in Albania during May, June and July forced the Porte to promise judicial, economic, educational and administrative reforms. These promises were extended to Macedonia in September, and in October the Turkish government revived the vilayets law of 1880, which provided for local councils, half of whose members were to be appointed by the vali. These tardy concessions could not stay the crisis, however, for the Balkan states were by this time unitedly insisting upon a far more radical program: national autonomy for Macedonia, Christian governors of the provinces, local militia and the withdrawal of Turkish troops. The **mobilization** of Bulgarian, Servian, Greek and Montenegrin armies followed a report that Turkey would hold army manœuvers near Adrianople. By October 8 nearly half a million men threatened Turkey from the north, while over 100,000 Greeks were massed in Thessaly. The Turks retaliated by confiscating munitions of war intended for the allies and by holding up about a hundred Greek ships.—Meanwhile the **great powers** had been attempting to prevent war. According to the German and Austrian newspapers, a conference on September 8 of the German chancellor with Count Berchtold, foreign minister of Austria-Hungary, resulted in a determination on the part of the two governments to maintain the territorial *status quo* in the Balkans and to avert hostilities by encourag-

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ing the Porte in its "policy of decentralization"; and Austria speedily mobilized an army with the avowed intention of protecting her interests in the sanjak of Novi-Bazar. A proposal of the French foreign minister, M. Poincaré, for concerted diplomatic action, tardily assented to by Great Britain, led to representations by the ministers of Russia and Austria-Hungary, acting as mandatories of the powers, at Sofia, Belgrade, Cettinje, Athens and Constantinople, to the effect that: (1) the powers would reprove any belligerent action; (2) they would assist in securing (under article xxiii of the Berlin Treaty) reforms in the administration of European Turkey that would not infringe upon the sovereignty of the sultan or the territorial integrity of the Ottoman Empire; and (3) in case of war there would be no modification of the territorial *status quo*.—At Cettinje on October 8, barely three hours after these representations had been made, Montenegro severed relations with the Porte and declared **war**. The other Balkan states, after some delay, declined to consider the vague reforms promised by the powers and presented an ultimatum to the Porte demanding radical political changes in Macedonia. The Greek government at the same time insisted upon the release of the detained Greek ships and admitted the Cretan deputies to the Greek Parliament. The Porte replied by declarations of war on October 17 against Bulgaria and Servia; and on the same day Greece declared war on Turkey.—From the first the allies took the offensive, advancing along the whole frontier.—**Bulgarian** forces, aggregating two or three hundred thousand men, occupied Mustapha Pasha on October 19 and Kirk-Kilesseh on the 24th. By the 27th, Adrianople was closely besieged, the garrison of 60,000 men making vigorous but unsuccessful sorties. On the 27th the Bulgarians captured Eski-Baba; and a great three-days battle at Lule-Burgas resulted on the 31st in a complete Turkish rout, the losses of the defeated army being estimated at over 40,000 men. Fighting desperately, but lacking ammunition and food and overpowered by the deadly artillery fire and irresistible bayonet charges of the Bulgarians, the Turkish troops retreated in disorderly haste towards the last line of defences barring the way to Constantinople, the chain of hills and forts extending on either side of Tchatalda.—In the western field of war, **Servian** forces took Pristina on October 22, Novi-Bazar on the 23d and Sienitza on the 26th. On the same day Uskub was occupied. Governors were appointed over the captured villages, and the administration of practically all of "Old Servia" was conducted from Uskub, the ancient capital. Servian armies were sent to coöperate with the Greeks against Monastir and Salonica, with the Montenegrins against Durazzo, and with the Bulgarians in the attack on Constantinople. Meanwhile the **Greeks**, invading Macedonia from the Thessalian frontier, had occupied Elassona, won success near Mt. Olympus, in Melina pass, and at Damsei, gained an important victory at Saranporo pass on October 23 and, on the following day, captured the town of Servia. By the 31st they had occupied Verria, on the Salonica-Monastir railway, and had routed 4000 Turks at Kailar.

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On November 3 their main column occupied the "holy town" of Yenidje and advanced thence on Salonica, in conjunction with a detachment which had been landed at Stavros and with a Bulgarian force from Kuruk. Another Greek army, threatening Janina in Epirus, had occupied the mountain passes but was unable to secure any important victory. After bombardment by Greek gunboats, Prevesa, the southernmost point of Turkey in Europe, was surrendered to the Greeks. A Turkish gunboat in the Gulf of Arta was burned. The Greeks then occupied Nicopolos on November 3. In the northern Ægean, Greek warships captured the islands of Thasos, Imbros and Samothrace on October 31 and November 1. At the same time a Greek torpedo-boat ran in under the guns of the fortifications of the Gulf of Salonica and sank the Turkish battleship Feth-I-Buland.—The **Montenegrins** began their advance on Scutari, the capital of Albania, on October 8. On the 12th they invested Tarabosch, and on the 14th they captured Tushi. Essad Pasha contested their advance at each mountain stronghold, but was hemmed in at Scutari under fire of the Montenegrin guns. In the west, Berane was taken on October 8, and Prizrend and Ipek on the 31st. South of Scutari another army of Servians and Montenegrins occupied Alessio and Port San Giovanni de Medua on November 5 and threatened Durazzo, further south on the Adriatic coast.—Although it was feared that the advance of the Servians in Novi-Bazar and towards the Adriatic and the movement of the Bulgarian army against Constantinople would endanger the neutrality of Austria and Russia, and although it was recognized that **Rumania** would insist upon compensating cessions of territory from Bulgaria, the **great powers** were unable to arrive at a satisfactory understanding preparatory to concerted intervention. The propositions made by M. Poincaré, premier and foreign minister of France, were unfavorably received by the Triple Alliance, because Austria-Hungary took exception to the phrase "territorial disinterestedness." A revised scheme of the French premier contemplated recognition of political and administrative changes in the territory occupied by the invading armies, retention of the sultan's sovereignty over a strip of land around Constantinople, and the settlement of the terms of peace by a European conference in which the Balkan states would be represented; this however was criticized as far too radical. On November 4 the Porte invited the powers to bring about an armistice. The German government was inclined to accept the invitation, but the powers of the Triple Entente were unwilling to force a cessation of hostilities unless definite guarantees were made relative to the conditions of peace. The Balkan allies resented the interference of the powers, realizing that any delay or interruption of the offensive campaign would be advantageous to Turkey. The fact that squadrons were being despatched to the Ægean by the various governments, coupled with persistent rumors of military preparations in Austria and in Russia, gave rise to numerous forecasts of an alarmist character in the European press. Inasmuch as the Bulgarian advance on Constantinople had so excited the native population

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that the lives of Christians in that city were held to be in jeopardy, the Porte signified its willingness to allow two warships of each power to pass the Dardanelles.

THE TRIPOLITAN WAR.—The **Italian army** of occupation (see last RECORD, p. 351) continued to strengthen its hold on the coast of Tripoli and Cyrenaica, but progress in the interior was slow. In the engagements that took place in May and June, the Italians were uniformly, though not decisively, victorious. In July they occupied Sidi Ali, thereby controlling the three caravan routes which enter Tripoli from the west, and they captured the coast town of Mesurata. The last important battle of the war in Africa was at Derna on September 17, where Enver Bey's attack on the Italian position was repulsed with considerable loss.—Meanwhile the **Italian fleet** had descended upon the Ægean archipelago. Rhodes was occupied on May 4, and Karpathos and Kasos on the 17th. On the 24th Chios was attacked and Scalanova was raided on the 30th. A midnight reconnoissance of the Dardanelles was made by a gunboat squadron on July 26. As a retaliatory measure, the Porte issued orders expelling Italian residents from Chios and from the vilayet of Smyrna. In June, the twelve Ægean islands occupied by Italy demanded that they be allowed to unite with Greece, or else become an "autonomous Ægean confederation."—**Diplomatic conversations**, looking toward peace, were begun at Caux in Switzerland in July and later continued at Ouchy. After repeated disagreements the Porte was allowed three days, October 12–15, to consider the Italian proposals; failing a favorable reply, Italy announced her intention of carrying the war into European Turkey. At this time the Balkan states were at the point of declaring war (see *supra*), and it was generally believed that they counted on Italian aid in Albania and the assistance of the Italian fleet in the Ægean. In this situation the Porte accepted the by no means unfavorable terms of the Italian protocol. In the **Treaty of Lausanne** (Ouchy), signed on October 15, the Porte renounced all sovereignty or suzerainty over Tripoli and Cyrenaica, the sultan being allowed as khalif to exercise without hindrance his religious authority over the native Mussulmans; former diplomatic and commercial relations were restored; and the Ægean islands occupied during the war were relinquished by Italy, on condition that the Turkish government introduce reforms in favor of the Christian population.—It was officially stated that, at the end of August, the military and naval **expenditure** by Italy on account of the war had been about $78,000,000.

GENERAL EUROPEAN RELATIONS.—In the mobilization of the British fleet in the Atlantic and of the French fleet in the Mediterranean, the European press discerned a close naval agreement between **Great Britain** and **France**, intended, apparently, to assure British preponderance over Germany in the North Sea and French hegemony in the Mediterranean. —The reported result of the visit of the French premier, M. Poincaré, to Russia in August was the conclusion of a **Franco-Russian** naval convention,

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to supplement the military convention of 1892. The Russian foreign minister, M. Sazanoff, conferred with the British government in September.—The "Baltic meeting" in July of the German and Russian emperors was declared to portend no new grouping of the powers.—The **German** embassy to **Great Britain** was occupied on June 1 by Baron Marschall von Bieberstein, and, following the baron's decease on September 24, by Prince Charles Max Lichnowsky. M. Sverbeeff was appointed Russian ambassador at Berlin.—The ill feeling between **Spain** and **Portugal** generated by the royalist invasion (see *infra*, p. 763) was gradually overcome, and the Hispano-Portuguese commercial treaty of 1892 was revived.—The **Socialists** were collecting, for discussion at their international congress in 1913, data regarding the feasibility of a general war-strike.

MOROCCO AND OTHER AFRICAN RELATIONS.—The **Franco-Spanish** conversations relative to **Morocco** still continued (see last RECORD, p. 352). It was reported that negotiations were proceeding satisfactorily on the territorial disputes, the status of the khalifate and religious missions, and the administration of customs duties and of the Tangier-Fez railway, but that the question of the internationalization of Tangier was proving more troublesome. Meanwhile the **French** "**pacification**" of the tribes gradually continued. General Lyautey, appointed first French resident-general in Morocco on April 28, divided the French region into four administrative sections: Fez, Meknes, Rabat and the Chaouia. With an army of 50,000 men, he centered his attention upon quelling the revolting tribesmen in the regions of Fez and of the Muluya and in overthrowing El Hiba, the southern pretender. A small French expedition was attacked on May 4 at El Maaziz, near Rabat, and an assault was made on Sefru by Berber tribes. In June, General Lyautey made a favorable impression on the natives by reappointing the popular southern chieftains Thami Glawi and Aissa Ben Omar to the governorships respectively of Marakesh and Abda. During July and August Marakesh, one of the imperial towns, was invested by tribesmen, but Colonel Mangin recaptured the town on September 9 and liberated nine Frenchmen who had been held by El Hiba since August 15. A French bombardment of Ksima, south of Agadir, on July 20, especially embittered the tribesmen in the Atlas and Marakesh districts. Mulai Hafid, who abdicated on August 15 in favor of Mulai Yusef, was granted an annual pension of $70,000 and given asylum in France. It was announced that the closed port of Mehedia, north of Rabat, would be opened to foreign trade by the sultan on January 1, 1913.—In June the **Liberian** government arranged to pay its **German** creditors with its new five-per-cent bonds.—The **Franco-German** conference on the delimitation of the **Congo** frontier (see last RECORD, p. 352) began its work at Berne on June 15.—The **Anglo-German-Belgian** boundary commission fixed the frontier between the Uganda protectorate, the Belgian colony of the Congo and German East Africa near the Mfumbiro volcanoes.

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ASIATIC RELATIONS.—In order to extricate itself from financial straits, the **Chinese** government on August 30 arranged with a group of London banks for a loan of £10,000,000, of which £500,000 was to be advanced immediately, security being offered in the form of the income from the salt gabelle. Meanwhile negotiations were proceeding within the **six-power group,** Great Britain, France, Russia, Germany, Japan and the United States, for providing an international loan. To the Chinese government the proposals of this group seemed to entail too close foreign supervision of expenditure and income.—The massacre of a hundred Mussulmans in Chinese **Turkestan** called forth a threat of Russian intervention.—In the attempt to eradicate the tendency in eastern **Mongolia** to join outer Mongolia, which is under Russian influence, Yuan Shih-kai's troops were reported to have slain over 10,000 Mongols.—The visit of Prince Katsura of Japan to St. Petersburg in July gave rise to the reports that another **Russo-Japanese** agreement had been made, defining spheres of influence in Mongolia as well as in Manchuria.—The St. Petersburg treaty of 1881 regulating the customs tariff within the fifty-verst zone in Ili was renewed for ten years.—Following an attempt on the part of Chinese troops to convert the nominal Chinese sovereignty over **Tibet** into actual control, **Great Britain** presented a memorandum to China, on August 17, protesting against what was interpreted as a breach of the Anglo-Chinese treaty of 1906; and the Chinese forces were withdrawn. Threatened destruction of consignments of **Indian opium** by "Young China" officials elicited a British note of July 5, pointing out that such action would injure the Indian opium trade and would be a violation of treaty obligations; and in support of this remonstrance a British cruiser was ordered to Anking on October 14.—Great Britain accepted proposals in September for the internationalization of the proposed trans-Persian railway. According to a communiqué issued after the meeting of M. Sazanoff and Sir Edward Grey at Balmoral, **Russia** and **Great Britain** denied any desire of partitioning **Persia**, and declared that, in order to expedite the withdrawal of foreign troops, they were considering how they could best assist in strengthening the Persian government, for the purpose of enabling the latter to reëstablish order and to safeguard the trade-routes.

AMERICAN RELATIONS.—During the summer months the revolution in **Mexico** (see *infra*, pp. 751, 752) gave the government of the United States much anxiety. In July, when American refugees were reaching El Paso, Texas, in large numbers, a demand for the better protection of American interests was made upon President Madero, and a warning was sent to the revolutionary leader Orozco that he would be held accountable for any outrages. Congress appropriated $100,000 for the transportation of the refugees to Arizona and Utah. Early in September the American military forces along the border were strengthened, and companies of armed men were organized in Arizona with the intention of invading Mexico should Americans be killed in the mining towns. Raiding bands of revolutionists were driven back from Texas on several occasions. In two instances

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Mexican federal troops were permitted to pass through American territory in order to facilitate their operations; on the second occasion the governor of Texas protested. In October two Americans were captured by northern rebels and held for ransom, one of them afterwards being released on the payment of $5000. In September President Taft announced that he would take no action looking towards intervention without the explicit approval of Congress and that he saw no reason to call a special session for that purpose. In July the Senate provided for an investigation to determine whether American capital had been used to foment the rising against Madero. The findings, as unofficially foreshadowed in October, showed that large quantities of arms had been shipped across the border while the Madero revolution was in progress and that, if the practice had been allowed to continue, Madero, in his turn, would have been overthrown. —The passage of the **Panama Canal Bill** through Congress (see *infra*, p. 737) brought protests in July from the British government. The British note argued that the exemption of all American ships from the payment of tolls would be an infraction of the Hay-Pauncefoote treaty; that there would be no difference in principle between charging tolls only to refund them afterwards and remitting such tolls altogether; that a subsidy calculated particularly with reference to the use of the canal would violate the treaty; and that it would be impossible to frame regulations for the exemption of ships in the coastwise trade without giving to American shipping a preference such as the treaty forbade. In August President Taft urged upon Congress the passage of a resolution to the effect that there was no intention of violating the treaty and that the federal courts should be open to foreigners seeking to vindicate treaty rights. He also published a defence of his action in signing the bill. "The British protest," he declared, "leads to the absurd conclusion that this government . . . finds itself shorn of its right to deal with its own commerce in its own way, while other nations using the canal in competition with American commerce enjoy that right and power unimpaired." The British protest was renewed, however, with the intimation that arbitration would be sought if no satisfactory settlement could be reached otherwise.—Late in July an extradition treaty was signed between the United States and **Honduras**.—In view of the outbreak of revolution in **Nicaragua** (see *infra*, p. 752) and at the request of President Diaz, American marines were landed near Managua on August 3 for the protection of American citizens; a few days later they assisted in the defence of the city. Alarming reports led President Taft to order a regiment of infantry to Nicaragua, and then, countermanding this order, to reinforce the marines already there, raising their number to 2500. Senator Bacon sharply criticized this policy, asserting that the navy was being used to accomplish indirectly the purposes of the loan treaty which the Senate had failed to ratify (see last RECORD, p. 355). In a note presented to the Nicaraguan government, and also placed in the hands of rebel leaders, the United States defined its objects as being the defence of

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the American legation, the protection of American life and property and the safeguarding of travel. The restoration of the "corrupt and barbarous" conditions which prevailed under Zelaya would not be tolerated. In October American marines had several engagements with the rebels, on one occasion killing about one hundred and wounding twice that number. —In July the government of **Costa Rica** requested the United States to lend the services of Colonel Goethals and his Panama canal staff to devise plans for the construction of harbors and forts on the Pacific coast.—On June 6 a convention was signed providing for a parcels post between the United States and **Panama**. The July elections, upon the request of the president and other officials of Panama, were supervised by a board consisting of the American minister, Colonel Goethals, and Colonel Green, commander of the forces in the canal zone.—The situation in eastern **Cuba**, growing out of the negro insurrection (see *infra*, p. 752), was regarded as so acute in May that 700 marines were despatched to Guantanamo and a fleet of nine war vessels with additional marines was assembled at Key West. President Taft informed President Gomez that this course was not taken with any purpose of intervention, but merely to ensure prompt action if it should become necessary to protect American interests. In reply the Cuban president admitted the right of the United States to land troops, but asserted his firm intention and ability to suppress the revolt. On July 25 the marines were ordered home. In August American claims aggregating $557,000 were pressed upon Cuba for immediate settlement. The American *chargé d' affaires*, having insisted upon a cash payment, was assaulted by a Cuban reporter; the magistrate at first discharged the reporter, but afterwards sentenced him when the United States government had protested. Official apologies were cabled to President Taft. In August the United States made objections to an Employers' Liability law which would have given a monopoly of the insurance business to a Cuban company, to the detriment of the American insurance companies doing business in the island.—In **Santo Domingo**, where the customs service has been supervised by representatives of the United States government for more than four years, 750 American marines were landed in October to protect the customs houses along the Haytian frontier, which had been seized by revolutionists.—In response to a note from the American government in July, **Ecuador** paid part of the sum long due for the transporting of troops over an American-owned railroad and expressed willingness to have the amount still due determined by arbitration.—In the report of Sir Roger Casement, submitted to Sir Edward Grey in January, 1911, and made public in August, 1912, it appeared that under the régime of the Peruvian Amazon Company, Ltd., an English concern, the Indians in the **Putumayo** rubber district of eastern **Peru** were being treated with inhuman cruelty. A number of British journals demanded that the Monroe doctrine be applied to stop the outrages, and an investigating commission was appointed by the United States. The attempt on the part of the United

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States to exert its friendly influence to promote reforms in the Putumayo plantations elicited from Peru, through its minister at Washington, a statement that the atrocities complained of had been committed years ago and that whenever such crimes now occurred the guilty were punished. In October the Peruvian Congress approved a resolution protesting against the attitude of the United States.—The United States, responding in May to a request of the Chilean government, agreed to send sanitary experts to deal with a yellow-fever epidemic in one of the ports of **Chile.**—In a report which President Taft transmitted to the Senate on May 1, Secretary Knox declared that there were no papers on file in the state department which would give color to the rumors of Japanese schemes in Magdalena Bay (see last RECORD, p. 355). The Senate committee on foreign relations, however, considered that the circumstances justified "an expression of the view of the Senate regarding this and similar cases." With this purpose in view a resolution was passed extending the principle of the **Monroe doctrine** to the possession by foreign corporations of territory on the American continent suitable for conversion into military or naval bases, whenever the corporations have "such a relation to another government not American as to give that government practical power of control." The vote upon this resolution was 51 to 4, the dissentients wishing to have the language made more definite.—A treaty of friendship, commerce and navigation was signed by representatives of **Cuba** and **Peru** on April 26.—The boundary between **Haiti** and the **Dominican Republic** became the subject of a dispute in August.

II. THE UNITED STATES

THE ADMINISTRATION.—In May the **secretary of war** reported plans for the creation of fifteen flying squadrons of military aeroplanes, with eight machines in each, and the establishment of five training schools. —On June 14 the **secretary of commerce and labor** approved new regulations which require every ocean steamer entering American ports to provide life-boat accommodation for each passenger and member of the crew. —Orders were issued by the **secretary of the interior** on September 13 for the cancellation of the Cunningham claims to coal lands in Alaska (see RECORD of December, 1911, p. 741).—The investigation into **customs frauds** at the port of Philadelphia was dropped in consideration of the payment by the sugar companies of the full shortage, $250,000. On August 22 President Taft appointed a committee of government officials to investigate the board of general appraisers and to ascertain if there had been "neglect of duty, malfeasance in office or inefficiency."—In July precautions were taken at all the Atlantic and Gulf ports, notably at Key West and New Orleans, to prevent the admission of the **bubonic plague** from the West Indies.—Among the **appointments** made by the president were: W. M. Bullitt as solicitor general; Luther Conant, Jr., as commissioner of corporations, in the room of Herbert Knox Smith, who resigned be-

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cause of his sympathy with Mr. Roosevelt in the presidential campaign; Jacob Gould Schurman as minister to Greece; Dr. C. L. Alsberg, chemical biologist in the bureau of plant industry, as chief of the bureau of chemistry, in the room of Dr. H. W. Wiley (see last RECORD, p. 356); and Secretary Knox as special ambassador to attend the funeral of the Japanese emperor. On July 3 A. Piatt Andrew resigned as assistant secretary of the treasury, at the same time publishing letters in which he questioned the efficiency of Secretary McVeagh.

CONGRESS.—The first regular session of the sixty-second Congress continued till August 26. Either through the action of the Senate or the veto of the president all efforts to revise particular schedules of the **tariff** failed. For the House Free Sugar Bill (see last RECORD, p. 357) the Senate substituted a new measure, providing for a moderate reduction of duties and certain technical changes (as in the color standard). No agreement was reached in conference; and with the Sugar Bill died its companion measure, the Excise Tax Bill. For the House Wool Bill (see last RECORD, p. 358), the Senate substituted the same bill which President Taft had vetoed a year before (see RECORD of December, 1911, p. 743); and as its main provisions were adhered to in the conference report, which was adopted by both houses, the president took the same course again, asserting that the recommendations of the tariff board had not been followed. In the House the bill was passed over the veto, on August 13, by a vote of 174 to 80, twenty-one Republicans joining with the Democrats; in the Senate it failed, 39 to 36. Similarly the bill revising the metal schedules, having been vetoed on the ground that it provided no protection for American industries, passed the House by more than the necessary two-thirds, but failed in the Senate on August 16. The House Cotton Bill, reducing duties approximately by twenty per cent, was carried through the Senate by a combination of Democrats and Progressive Republicans, only to be vetoed by the president. The bill revising the chemical schedule (see last RECORD, p. 357) was rejected by the Senate.—In May Congress initiated a constitutional amendment for the **direct election of Senators.** It passed the House by a vote of 237 to 39, notwithstanding a provision permitting federal control of the elections (see RECORD of December, 1911, p. 744). —An act entrusting the administration of the **Panama canal** zone to a governor with large appointing power, and allowing the president to fix and alter the canal tolls, contains some very important provisions. One of these, which frees vessels engaged in the American coastwise trade from the payment of tolls, has raised a controversy with Great Britain over the interpretation of the Hay-Pauncefoote treaty (see *supra*, p. 734); another gives the Interstate Commerce Commission a general authority over the relation of rail and water carriers, even to the extent of denying the use of the canal to ship lines financially affiliated with railroads when such affiliation appears to restrain competition; and a third admits foreign-built, American-owned vessels to American registry in the foreign trade and

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removes the duties from materials of foreign production which may be necessary to the construction or repair of vessels built in the United States. —In August provision was made for a **parcels post** over city and rural delivery routes, the rate (five cents for the first pound and one cent for each additional pound) increasing with distance through eight zones and the maximum weight being fixed at eleven pounds. Weights, zone distances and rates may, however, be modified by the postmaster-general with the consent and under the supervision of the Interstate Commerce Commission. —A modified Pension Bill (see last RECORD, p. 358), which, it is said, will add $25,000,000 annually to the pension roll, became law in May.— In August, by twice vetoing the Executive, Legislative and Judicial Appropriation Bill, the president forced Congress to eliminate a provision which would have established a seven-year tenure for civil servants and another provision which would have abolished the Commerce Court.—The president also vetoed the **Army** Appropriation Bill on June 17. In this way he succeeded in preventing the reduction of the cavalry establishment and the removal of General Wood, the chief of staff. Congress insisted, however, upon extending the term of enlistment to seven years, four with the colors and three with the reserve, and in reducing the size of the general staff.—In August Congress passed the Sundry Civil Appropriation Bill without providing funds for the continuation of the **tariff board**, which had been formed under the Payne-Aldrich Act of 1909.—A sharp difference arose over the Naval Appropriation Bill, the Senate insisting on two new **battleships**, the House on none; but the Democratic caucus finally agreed to compromise on one battleship costing not more than $15,000,000. —In the Navy Bill the eight-hour day for government work was made to apply to government contracts. Congress also provided for a commission on **industrial relations** to investigate the relations between capital and labor. A Workmen's Compensation Bill, based on the German system, and a bill regulating the issue of injunctions and trials for indirect contempt of court failed to pass both houses.—Congress appropriated $500,000 to carry on the work of a joint commission of both houses, which is to study the country roads problem, experiment with methods of road improvement and determine whether the national government should participate in the building of such roads.—On July 13, in face of a committee report which maintained that his election had not been secured through corruption, the Senate unseated **William Lorimer** of Illinois, by a vote of 55 to 28 (see last RECORD, p. 358).—On August 12, by a partisan vote, the House unseated Theron Catlin of Missouri, because of excessive expenditures in connection with his election.—In August a committee of the House, charged with the investigation of the American Steel Corporation, made a report suggesting legislation for the control of combinations. The "money trust" was investigated by another House committee; and Senate committees conducted inquiries regarding campaign contributions, the sinking of the steamer "Titanic" and the influence of American capital upon the revolution in Mexico (see *supra*, p. 734).

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THE FEDERAL JUDICIARY.—Early in June the House of Representatives directed an inquiry into the conduct of Cornelius H. Hanford, federal district judge in Seattle, Washington, who was charged with "a long series of corrupt and unlawful decisions" (including the cancellation of a citizen's naturalization papers on the ground of his being a socialist) and with "being an habitual drunkard." On July 22 he telegraphed his resignation. When this was accepted by the president, proceedings ended.—In July the House of Representatives adopted and presented to the Senate articles of impeachment against Judge Robert W. Archbald of the Commerce Court (see last RECORD, p. 358). The charges relate generally to business transactions with railroad companies at times when the railroads were litigants before the Commerce Court or the Interstate Commerce Commission, and specifically to his attempt, by misuse of his influence as a judge, to lease a certain culm bank from the Lehigh Valley Railroad. Judge Archbald made his answer before the Senate, organized as a court of impeachment, on July 29.—Among the more important decisions of the **Supreme Court** were the following. An annual municipal charge for each pole and each mile of underground wire, which has been paid for many years without complaint, is not a denial of **due process** of law (Western Union Telegraph Company *v.* City of Richmond, 32 S. C. R. 449). The order of a state railroad commission requiring trackage connections between competing railroads, without evidence of inadequate service or public complaint or testimony as to freight or volume of business or public revenue, is insufficient to show public necessity under the due-process clause. (State *v.* Fairchild, 32 S. C. R. 535.) To exact double liability and attorneys' fees from a railroad which refuses to pay within thirty days an excessive indemnity for killing live stock is to take property without due process of law (St. Louis, I. M. and S. R. Company *v.* Wynne, 32 S. C. R. 493). Proceedings resulting in the deportation of an alien are not wanting in due process of law on the ground that she had no counsel, provided that the examination was within statutory authority and that she had counsel before the proceedings closed; nor is due process of law denied by the lack of power to compel the attendance of witnesses (Low Wah Suey *v.* Backus, 32 S. C. R. 734). The enforcement of a municipal ordinance fixing telephone rates should not be enjoined as confiscatory before giving the ordinance a trial to show its actual effect (City of Louisville *v.* Cumberland Telephone and Telegraph Company, 32 S. C. R. 741). An ordinance forbidding the keeping of billiard tables for hire in hotels having less than twenty-five bedrooms comes within the **police power** of the state and does not deny equal protection of the laws; and the validity of such a discrimination in favor of larger hotels can be assailed only by the keepers of the smaller hotels (Murphy *v.* People of the State of California, 32 S. C. R. 697). The requirement that the names and percentages of diluents shall be stated on labels does not, as applied to sales by importers in original packages, amount to an unconstitutional regula-

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tion of **interstate commerce**; and only those injuriously affected by the discriminatory features of a state statute can attack its validity as denying equal protection of the laws (Standard Stock Food Company *v.* Wright, 32 S. C. R. 784). A reduction in the interstate sales of a non-resident manufacturer, by reason of a state registration and inspection law affecting the right of an importing purchaser to sell in original packages, gives him standing to challenge the validity of such an act as an unconstitutional regulation of interstate commerce (Savage *v.* Jones, 32 S. C. R. 715). Action on the part of a state railroad commission, establishing a freight rate on coal billed from fields within the state to ports of the state, and making this rate applicable to coal placed on vessels at those ports for carriage without the state, is an unconstitutional attempt to regulate interstate commerce (Railroad Commission of Ohio *v.* Worthington, 32 S. C. R. 653). The reservation in the Oklahoma Enabling Act of the authority of Congress to legislate as to the Indians within the state lies within the power given to Congress to regulate commerce with the Indian tribes (Ex parte Webb, 32 S. C. R. 769).

STATE AFFAIRS.—In October President Taft addressed letters to all the **governors** inviting them, on the occasion of their annual conference in Washington, to discuss with him plans for a coöperative credit system which would reduce the interest on loans made to farmers for productive enterprises. He commended the Massachusetts law which provides for the incorporation of agricultural unions.—The **sixteenth amendment** to the federal Constitution, authorizing the levy of an income tax without apportionment, was ratified by the Louisiana and Minnesota legislatures in June. Of the 36 state votes necessary for its adoption it has obtained 34.—The **seventeenth amendment** to the Constitution, providing for the direct election of United States senators (see *supra*, p. 737), has already been ratified by two legislatures, those of Massachusetts and Montana.—On June 6 the supreme court of **Illinois** held that the common-law doctrine of assumption of risk in labor-accident cases had been displaced by the new statute regarding labor appliances.—On July 5 the supreme court of **Indiana** declared unconstitutional a constitution which had been adopted by the legislature. Late in October the governor sent three companies of militia to the race track near Valparaiso and prevented the holding of races because of the gambling which had been prevalent there. The owners of the track have brought suit against the state for $100,000 damages.—In the session of the **Maryland** legislature which closed in June, laws were passed respecting the hours of labor for women and children, workingmen's compensation, occupational diseases and loan sharks.—On June 5 a Minimum Wage Bill was signed by Governor Foss of **Massachusetts**. It establishes a commission with power to organize wage boards in any industry in which it shall appear that the wages received by women are insufficient to supply necessaries and to support them in health; but the authority of the wage boards is limited to recommending a wage scale and publishing the names of employers who

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fail to adopt it.—The **New Hampshire** constitutional convention adjourned on June 22, having manifested throughout its deliberations a very conservative spirit. It rejected proposals for woman suffrage, home rule for cities, the short ballot, and the initiative, referendum and recall. It did, however, adopt an amendment permitting the legislature to impose a direct tax upon the incomes of public-service corporations.—A commission appointed by the legislature of **New York** to study food prices and market facilities made an important report in August. It found that distribution in New York city added forty per cent to the cost of foodstuffs, and it suggested that municipalities be allowed to provide a department of markets which should have control over all sanitary and economic questions affecting the food supply. On October 4 the court of appeals held that a provision of the election law requiring 1500 signatures for county offices and 800 for assemblymen on independent nomination papers was unconstitutional, and that the last preceding law which fixed the number of signatures must control.—Senator Huffman, the third member of the **Ohio** legislature to be convicted of accepting bribes (see last RECORD, p. 360), was sentenced in July to three years' imprisonment. The proposals of the constitutional convention (see last RECORD, p. 360) were submitted to the people on September 3. Eight proposals, including woman suffrage, were rejected; the others were adopted. The new constitution takes advanced ground respecting industrial and labor questions, popular control of government and judicial procedure. The legislature is empowered to regulate the hours of labor and to establish a minimum wage, workingmen's compensation and state insurance; provision is made for the direct primary, the initiative and referendum and municipal home rule; an act of the legislature may be held unconstitutional by the supreme court only when all but one of the judges concur or when the concurring opinions of the majority uphold the decision of the court below.—During the campaign before the primaries in **South Carolina** Governor Blease was charged with accepting bribes for pardoning criminals, blocking railroad legislation and conniving at the illicit sale of liquor. He was, however, renominated. Afterwards the Democratic state committee claimed to have found evidence of wide-spread corruption in the primary election.—On October 2, for the second time in the history of **Vermont**, the choice of governor was thrown into the legislature. Albert M. Fletcher, Republican, was chosen.—On May 14 the supreme court of **Wisconsin** held unconstitutional a law permitting cities to legislate on all matters not prohibited by the constitution or by the general laws. The insurance department announced, late in October, that arrangements had been completed for the sale of insurance policies by the state.

MUNICIPAL AFFAIRS.—Among the cities that have adopted **commission government** since the last RECORD are St. Paul and New Orleans. Of more than 200 cities now trying the new system these are much the largest.—In July Judge Swayze discharged the grand jury which had been investigating **municipal corruption** in Jersey City, criticizing it severely for

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its failure to return indictments. In Atlantic City four members of the council confessed that they had taken bribes for the passage of an ordinance. In Detroit fourteen members of the council, including the president and secretary, were charged with accepting bribes in connection with the passage of a bill affecting a railroad company. In July the system of police graft was once more brought to public attention in New York by the murder of a well-known gambler who had threatened to reveal the secrets of police extortion. A lieutenant by the name of Becker, who had for some months been entrusted with the suppression of vicious resorts and was alleged to have formed a partnership with the dead gambler, was indicted for instigating the murder. He was found guilty on October 25. A committee of the board of aldermen had meantime undertaken an investigation of the department. In Pittsburgh, following exposures by the Voters' League, proceedings were brought for the impeachment of three heads of departments.—In August three primary election judges were sentenced to fines and imprisonment in **Baltimore** for making fraudulent returns.—The **Chicago** city council approved the building of a subway system with four main lines at a cost of more than $130,000,000.—The regular parties suffered a remarkable defeat in **Denver,** Colorado, in May, when H. J. Arnold was elected mayor on the "citizens" ticket. Judge Lindsey was reëlected by a large majority in spite of a bi-partisan combination.—As the result of the rioting that attended a strike of street railway men, the council of **Duluth,** Minnesota, determined on September 26 to acquire the railway system for the city.—On May 24 plans for a large extension of the **New York** subway system were approved. The tentative budget for the city, as announced late in October, calls for an expenditure of $195,000,000. The gross funded debt of the city is more than $1,000,000,000.—In conformity with a decision of the supreme court, in July, the Socialist administration of **Schenectady,** New York, was compelled to dispose of an ice plant which the city charter did not empower it to maintain.—On May 27 amendments to the charter of **Seattle,** Washington, were submitted to popular vote. Those providing for the single tax, a municipal-welfare bureau, a municipal newspaper, preferential voting and the abolition of the mayor's veto were defeated. On the other hand a large majority favored municipal ownership of the telephone service.

THE NATIONAL PARTY CONVENTIONS.—The rivalry between President Taft and Colonel Roosevelt, which had become increasingly bitter as the primary campaign advanced, finally led to the disruption of the **Republican** convention and the formation of a new national party. Most of the delegates indirectly chosen favored President Taft; most of those directly chosen favored Colonel Roosevelt, who, in the presidential preference tests held in twelve states, received an aggregate of 1,179,405 votes as against 758,107 for Taft. Control of the convention, which met at Chicago on June 18, depended upon the settlement of 254 contests. When the national committee decided to place only 19 of his contestants

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on the temporary roll, Roosevelt declared: "It is a fight against theft, and the thieves will not win." The two factions measured their strength in the selection of the temporary chairman; and Senator Root, the regular nominee, won with 558 votes, the nominee of the opposition, Governor McGovern, receiving 502. A motion to place 92 Roosevelt contestants on the temporary roll was beaten by very much the same vote. The reports of the committee on credentials Roosevelt denounced as robbery; he expressed the hope that, since the convention represented nothing but successful fraud, his followers would take no active part in it. Accordingly 343 delegates refrained from voting when the platform was adopted. The only candidates placed in nomination were President Taft and Senator La Follette. Taft received 561 votes, Roosevelt 107, La Follette 41, Cummins 17, Hughes 2; 344 did not vote. Vice-President Sherman was renominated, receiving 597 votes on the first ballot.—The Roosevelt delegates then seceded to another hall, declared by resolution that the will of the people had been fraudulently defeated, and nominated Theodore Roosevelt as the candidate of "our party." The nomination was accepted on condition that a convention should be held later and an appeal made on progressive principles both to Democrats and to Republicans. This convention of the **National Progressive** party met in Chicago on August 5. The chairman, ex-Senator Beveridge, declared that the new party opposed to savage individualism a broader liberty, a fuller justice and a social brotherhood. Colonel Roosevelt, who was greeted with extraordinary enthusiasm, made his confession of faith in an address of 20,000 words, denouncing the old parties for their subjection to "privilege" and bosses as well as for their failure to face new issues." His principles were embodied in the platform. He was nominated for president and Governor Hiram Johnson of California for vice-president, both by acclamation.—When the **Democratic** convention opened at Baltimore, on June 25, the radical and conservative wings of the party fought for control. Mr. Bryan strenuously opposed the choice of Alton B. Parker as temporary chairman, characterizing him as a conspicuous representative of the reactionary element within the party; but, being nominated to oppose Parker, he was beaten by a vote of 578 to 510. He was successful, however, in securing the choice of a progressive as permanent chairman and the adoption of a resolution that no one should be nominated who was under obligations to Wall-Street interests. He also persuaded the convention to nominate the candidates before adopting a platform. By a vote of 565 to 495 the unit rule was abolished in the case of delegates who had been elected by districts under state primary laws. On the first ballot Mr. Clark, speaker of the House of Representatives, had 441 votes; Governor Wilson of New Jersey, 324; Governor Harmon of Ohio, 148; Congressman Underwood, 117; Governor Marshall of Indiana, 31; Mr. Bryan, 1. It was not until the forty-sixth ballot, on July 2, that Governor Wilson secured the necessary two-thirds. His success was largely

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due to Bryan's declaration on July 1 that he would withhold his vote from Clark as long as the Tammany-controlled New York delegation supported that candidate. Governor Marshall was nominated for the vice-presidency.—Only three **minor** parties put national tickets in the field. At Indianapolis, on May 17, the Socialist party nominated Eugene V. Debs and Emil Seidel. At Atlantic City, on July 12, the Prohibition party nominated Eugene W. Chafin and Aaron S. Watkins. The Socialist Labor party nominated Arthur E. Reimer and August Gillhaus.

THE PLATFORMS.—In the Republican, Democratic and Progressive platforms similar declarations were made in favor of securing publicity for campaign contributions, establishing a parcels post, developing waterways with national assistance and maintaining an adequate navy; but the Progressives also urged international agreement for the limitation of naval forces and peaceful means for the settlement of international disputes. All three endorsed the conservation of natural resources and the merit system in the civil service.—With respect to the **tariff** the Republicans, insisting on the adequate protection of American industries, proposed that readjustments in the duties should be made from time to time on the basis of data gathered by an expert commission; the Progressives took the same position, except that they demanded the immediate downward revision of excessive duties and laid emphasis upon the rights of the consumer and of labor; the Democrats, holding the protective tariff unconstitutional, advocated the abolition of protective duties by legislation which "will not injure or destroy legitimate business."—With respect to the control of **trusts** the Republicans urged the enactment of laws which would define as crimes those acts which uniformly mark attempts to restrain or monopolize trade and the assignment to an administrative board of some regulative functions now exercised by the courts; the Progressives would empower such a commission to enforce complete publicity and to attack unfair competition, false capitalization and special privilege; the Democrats would vigorously enforce both the civil and criminal provisions of the Sherman Act and pass supplementary laws to give it more definiteness.—With respect to the **courts** all three parties wished to reform legal procedure and judicial methods; but while the Republicans would uphold the authority and integrity of the courts and protect property and individual rights, the other parties advocated placing limitations upon the use of injunctions and providing trial by jury in cases of indirect contempt; and the Progressives further urged submission to popular vote of statutes declared invalid under state constitutions (popularly known as the "recall" of decisions) and review by the United States Supreme Court of decisions of the highest state courts pronouncing statutes invalid under the federal Constitution.—With respect to **banking** the Republicans favored measures that would prevent the recurrence of money panics and financial disturbances; the Progressives, denouncing the Aldrich plan, declared that the issuing of currency was fundamentally a government function; the Democrats, also opposing the Aldrich plan, wished to have a

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systematic revision of the banking laws.—Democrats and Progressives agreed in urging the ratification of the pending constitutional amendments for the levy of an income tax and for the direct election of federal senators, the granting of a regular territorial government to Alaska, a return to the rule of the people and a dissolution of the alliance between corrupt business and corrupt politics, the exclusion of railroad-owned ships from the **Panama canal** and the admission of American coastwise ships without payment of tolls, the physical valuation of railroads, and the extension of the direct primary and the presidential preference vote.—The Democrats also urged a rigid respect for **state rights**, a single term for the president, independence for the Philippines as soon as a stable government should be established, and the union and strengthening of the government health agencies.—The Progressives recommended in their platform **woman suffrage**, more attention to the welfare of immigrants, a federal department of labor, a graduated inheritance tax, new patent laws to curb monopolies and the bringing under effective **national jurisdiction** of those problems which have expanded beyond the reach of the individual states. Believing that the people should establish and maintain equal opportunity and industrial justice and that the public welfare should be set in the first place, they promised to provide a more easy and expeditious **amending process** for the Constitution, "so as to adapt it progressively to the changing needs of the people." Their proposals with respect to the **laboring class** included minimum safety and health standards, prohibition of child labor and night work for women, minimum-wage standards for women, a system of social insurance, standards of compensation for death or injury in industries, and much else. They specifically appealed for support to members of all parties.—In his **speech of acceptance** on August 1, President Taft declared that there were two fundamental issues in the campaign: first, whether representative government and an independent judiciary were to be maintained; and second, whether the legitimate use of capital should be allowed. Governor Wilson, in his speech of acceptance on August 7, laid emphasis upon tariff and trust questions, saying that the tariff should not be reduced in such a way as to disturb the foundations of business "too radically or suddenly," and that, while unjust practices should be suppressed, business done on a great scale was not necessarily dangerous.

THE CAMPAIGN AND THE ELECTIONS.—Charles D. Hilles, secretary to the president, was chosen as chairman of the Republican national committee; William F. McCombs acted in the same capacity for the Democrats; Senator Dixon, of Montana, for the Progressives. The direction of the Democratic campaign was placed in the hands of Mr. McCombs and a committee of fourteen, virtually named by Governor Wilson, six of whom were not members of the national committee.—The desire of the Progressive party to break the "solid South" and to attract Democratic voters was shown in Colonel Roosevelt's attitude towards the **negroes**. He announced that the new party could not be built up in the

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South "by relying on and appealing to negroes"; and in the settlement of contests between southern delegates the Progressive national convention acted upon this principle. In a speaking tour through the southern states Colonel Roosevelt was well received.—A peculiar feature of the campaign was the prominent part taken by **women**, especially in the interest of the Progressives. Miss Jane Addams seconded the nomination of Roosevelt at Chicago. There were numerous women delegates in the Progressive national and state conventions, this being due partly to the stress which the party laid on social welfare and partly to its endorsement of woman suffrage.—Much attention was given to the subject of **campaign contributions**. A Senate committee investigated earlier campaigns from this point of view, endeavoring particularly to discover the sources from which the Republican funds were derived in 1904 and 1908. The fact that Mr. G. W. Perkins was active in the organizing of the Progressive party and that he subscribed heavily to its support was used by opponents to indicate that Colonel Roosevelt was over-friendly to the Steel Corporation. According to the announcements before election day the parties received the following total contributions: Republicans, $591,032; Democrats, $678,364; Progressives, $304,116. More than a million and a half, however, was spent by the various candidates in the pre-convention primaries.—Both Governor Wilson and Colonel Roosevelt traveled through the country, delivering many speeches; but President Taft, who had followed the same course in the primary campaign, did very little speech-making afterwards.—In Milwaukee, on October 14, Mr. Roosevelt was shot in the breast by a fanatic, but in spite of the wound he spoke for an hour and a half at a mass-meeting afterwards. Returning to New York, after a few days in a Chicago hospital, he was able to deliver addresses at the close of the month.—Vice-President Sherman died on October 30; but no action was taken by the national committee to fill the vacancy on the Republican ticket.—Democratic success in the **elections**, though ensured by the disruption of the Republican party, was more complete than had been generally anticipated. At the close of this RECORD it appeared that President Taft had carried only two states, Utah and Vermont, with eight electoral votes; that Roosevelt had carried California (doubtful), Michigan, Minnesota, Pennsylvania, South Dakota and Washington, with 90 electoral votes; and that Wilson, accordingly would receive at least 433 votes in the electoral college. His popular plurality was apparently more than two millions. A comparison of the returns of 1908 and 1912 indicates that, although in the North the Progressive party attracted a small percentage of Democratic votes, its appeal to the South had little effect. The sixty-third Congress will be Democratic. Only 124 Republicans and 12 Progressives were elected to the House of Representatives; and the Democrats secured control of so many states previously Republican as to make it almost certain that they will have a majority in the Senate.

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THE TRUST PROBLEM AND THE RAILROADS.—On June 7 the United States Supreme Court unanimously reversed the Commerce Court in several cases, holding that the power which the latter had arrogated to itself in reviewing decisions of the Interstate Commerce Commission on questions of fact would virtually "overthrow the entire system which had arisen from the adoption and enforcement of the act to regulate commerce." Congress also believed the conduct of the court destructive of the previous well-established authority of the commission and attempted unsuccessfully to abolish it by legislation (see *supra*, p. 738).—On July 14 the Interstate Commerce Commission published the results of its investigation into the business of the thirteen largest **express companies** in the country and ordered radical reductions in rates and changes in methods. The reduction in rates approximates fifteen per cent and particularly affects small parcels under twelve pounds; on heavy packages of 100 pounds or more the rates were not found excessive. The new system of fixing charges divides the country into 950 blocks of about 50 miles square, the rate from any express station in one block to any express station in another being the same. The companies are now ordered to unite in giving through direct service by the shortest route. They have acquiesced in all the proposed changes except those establishing the new rates.—On December 31 the commission suspended until the end of December the proposed increase in **railway rates** on freight from eastern points to the Pacific and on lumber from the Southern states to Canada; and on October 21 it suspended until April 29 regulations which would further restrict the size and weight of personal baggage. On June 18 it began an investigation into the alleged monopoly in the transportation of anthracite coal.—Prosecutions under the **Sherman Act** continued to be numerous. On June 13 the circuit court at Wilmington, Delaware, ordered the dissolution of the so-called "powder trust." Faced with a suit, which was commenced on May 16, the Aluminum Company of America agreed with the government upon a lawful plan of reorganization. In the face of indictments for criminal violation of the law the American Packing Company, the "beef trust," voluntarily dissolved on July 19, subject to the approval of the federal government. Eight wall-paper manufacturers, defendants in the government's suit against their alleged trust, were acquitted on May 24. On August 16 the government began proceedings for the dissolution of the motion-picture combination, which distributes between two and three million feet of pictures each week; the suit is an important one as involving the relation of the patent laws to the Sherman Act. On May 6 the government began its suit to dissolve the United States **Steel Corporation** by attempting to prove that, from its inception in 1899 until a year ago, the American Steel and Wire Company, one of the largest subsidiaries, was a party to pools, understandings and agreements to restrain trade. On August 29, charging conspiracy to destroy the business of the Pierce-Fordyce Oil Association of Texas, the federal grand jury at Dallas, Texas,

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returned indictments against the **Standard Oil Company** of New Jersey and that of New York, as well as against seven individuals. This was the first action taken by the government against the oil trust since it had been dissolved by law into its thirty-three component parts. Somewhat later the leading Standard Oil men began proceedings in the state of Missouri for the purpose of maintaining their control over the Waters-Pierce Company in spite of the dissolution. On November 2, however, they found it advisable to drop the proceedings and to yield control to Colonel Pierce by selling him some of the stock which they held.—A consignment of coffee which belonged to the Brazilian state of Sao Paulo being held in a New York warehouse for the purpose of influencing the price, the United States attorney-general brought suit under the Sherman Act to force the coffee into the market. The court denied his application; and the secretary of state advised the withdrawal of the suit because of possible complications with Brazil.—Three subordinate railroads in the New York Central system were fined on May 7 by the federal court at Chicago for favoring certain theatrical companies in selling transportation.—On September 27 the federal court at Springfield, Illinois, held that the state law providing for a two-cent railway fare was unconstitutional.

LABOR AND CAPITAL.—On October 11 the United States district court at Hartford awarded $80,000 damages (which will be trebled under the Sherman Act) to the plaintiff in the famous Danbury Hatters case. The litigation has continued nine years, having gone twice to the circuit court of appeals and once to the Supreme Court (see RECORD of June, 1911, p. 366).—In the contempt proceedings growing out of the **boycott** of the Bucks Stove Company (see RECORD of December, 1911, p. 754) the supreme court of the District of Columbia on June 24 sentenced Samuel Gompers to one year in prison, Frank Morrison to nine and John Mitchell to six months. An appeal has been taken to the United States Supreme Court. On October 27 more than 20,000 members of the building-trades unions marched through the streets of New York and held a meeting, addressed by Samuel Gompers, to protest against the attitude of the local courts towards the boycott.—On August 17 Clarence S. Darrow was acquitted on the charge of having bribed George Lockwood, a prospective juror in the McNamara case at Los Angeles (see last RECORD, p. 365). Two months later he was brought to trial on a second indictment charging him with the bribery of a juror named Bain. On October 1 forty-six labor men, charged with conspiracy to transport **dynamite** and nitro-glycerine on interstate passenger trains, were brought to trial at Indianapolis (see last RECORD, p. 365). According to the prosecution, it was at the Indianapolis headquarters of the International Association of Bridge and Structural Ironworkers that the McNamaras and others matured their designs to destroy buildings under construction by non-union men. The selection of the jury occupied only thirteen hours. Ortie McManigal, who pleaded guilty, was identified by hotel clerks from various parts of the country as having regis-

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tered at times when explosions occurred in the vicinity.—Ettor and Giovannitti, two leaders in the Industrial Workers of the World who had taken a prominent part in the **Lawrence strike** (see last RECORD, p. 365), were held in prison for eight months charged with complicity in the shooting of a woman during the strike. William D. Haywood, general organizer of the Industrial Workers of the World, was arrested in Boston on September 15 for urging a general nation-wide strike as a protest against their incarceration. Towards the end of the month sympathetic demonstrations were made by textile operatives in Lawrence, culminating in a one-day strike, with violent speeches and conflicts with the police. The imprisoned men were brought to trial in Salem on October 14; the threatened labor disturbances did not take place. On August 30 William M. Wood, president of the American Woolen Company, was indicted for conspiracy, the charge being that dynamite was "planted" for the purpose of discrediting the Lawrence strikers. The prosecution is supported by the confession of a member of the school board, who asserts that he received $600 for his assistance. Another conspirator committed suicide after confessing.—The Industrial Workers of the World have taken a prominent part in other labor disturbances. In July, as the result of a conflict at Grabow, Louisiana, in which several non-union men were killed, nine persons were indicted for murder, but acquitted on November 2; at New Bedford, Massachusetts, two leaders were sentenced to a year's imprisonment for inciting to riot; at San Diego, in August, six leaders were found guilty of conspiracy, and Ben Reitman, companion of Emma Goldman, was driven from the city, tarred, feathered and branded.—In the middle of October a strike of **textile workers** occurred at Little Falls, New York. Several days later, having been refused a permit, Mayor Lunn of Schenectady and other Socialists persisted in addressing the strikers. They were arrested, but, after the proceedings against them had been reduced to a charge of misdemeanor, they were released on their own recognizances. Serious rioting occurred later. After being warned by the state administration that they should observe the constitutional guaranty of free speech, the local authorities permitted Mayor Lunn to deliver addresses.—In October 300 conductors and trainmen employed on the Georgia Railroad struck. After numerous acts of violence had been committed, the strikers agreed to submit their case to mediation under the Erdman Act. In May the engineers employed on fifty eastern **railroads** reached an agreement with the companies under which their demands were to be settled by an arbitration board of seven persons. At the same time the firemen asked for increases in wages which would aggregate $25,000,000, but it was decided to postpone a decision in this matter until the arbitrators had settled the grievances of the engineers. Freight-handlers employed on western railroads struck on May 4, demanding higher wages and a Saturday half-holiday. Towards the end of June the strike appeared to be broken. —**Street railway** strikes occurred in Augusta, Georgia, where martial law had to be proclaimed in October; in Jacksonville, Florida, where the

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militia had to be employed at the end of October; in Duluth, Minnesota, where there was serious rioting in December; and in Boston, where the company finally agreed on July 29 that there should be no discrimination between union and non-union men. In New York and Chicago the street-railway men were granted considerable increases in pay without resorting to a strike.—In September 10,000 **miners** struck in the collieries of the Lehigh Coal Company because the company refused to dismiss two non-union men. When these men withdrew, four weeks later, the strike ended. Bloodshed and violence marked the strike of 170,000 anthracite coal miners in Pennsylvania during April and May. On May 22 the men accepted a wage increase of ten per cent and returned to work. The price of coal advanced twenty-five cents a ton. In September serious rioting occurred in Utah while some six thousand copper miners were on strike. In October several thousand copper miners struck for higher wages at Ely, Nevada.—A strike of 10,000 **furriers** in New York city, after lasting twelve weeks, was settled on September 8, the employers conceding recognition of the union, an eight-hour day and a Saturday half-holiday throughout the year.—A strike of some four thousand **waiters** employed in the larger New York hotels began at the end of May and collapsed a month later. Similar strikes began in Washington on October 23 and in Buffalo on November 1.—The strike of pressmen and stereotypers employed on Chicago **newspapers** (see last RECORD, p. 366) continued through the month of May, but with diminishing hope of success. The men gradually returned to work in the early part of the next month.—Progress in the movement to restrict the hours of **female labor** was marked by decisions of the supreme courts of Washington and California, upholding the validity of eight-hour laws, and of the supreme court of Illinois, upholding a ten-hour law which applied to hotels, factories, telephone and telegraph companies. A ten-hour law has been passed by the Maryland legislature. On October 1 a fifty-four hour law became effective in the industries of New York state. —A Workman's Compensation Act went into effect in Illinois on May 1.

LYNCHING AND THE RACE PROBLEM.—For alleged **assaults** upon white women, negroes were lynched at Tyler, Texas, on May 25; at Tampa, Florida, on July 2; at Bakersfield, California, on September 21; and at Americus, Georgia, on October 5. In the first case, after the negro had confessed his crime, he was bound to a rail and burned to death on a pyre in the public square. On October 2 a negro who had confessed to an assault upon an old lady was lynched by fellow convicts in the state penitentiary at Rawlins, Wyoming, the convicts overpowering the guards and obtaining the keys but making no attempt to escape.—For acts of **violence** other than assaults upon women, negroes were lynched at Pinehurst, Georgia, on June 25; at Little Rock, Arkansas, on July 5; at Meridian, Mississippi, on August 5; at Detroit, Texas, on August 6; and at Columbus, Georgia, on August 13. In the first case the coroner's jury, ignoring evidence which appeared to fix the responsibility for the

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lynching, returned a verdict of "death at the hands of persons unknown." A lynching was narrowly averted in Philadelphia, on September 21, when a negro, who was chasing several boys, stabbed and killed a policeman.—**Race riots** occurred at Pine Bluff, Arkansas, on July 28; at Plainville, Georgia, on July 29; and at Little Ferry, New Jersey, on July 30. At Plainville seven negroes were killed and eleven negroes and four whites wounded.

THE DEPENDENCIES.—In May Governor Forbes, visiting the United States, announced that free trade with this country had worked great improvement in the finances of the **Philippines**, the income now being sufficient to meet all expenditures and leave a balance for public improvements. The foreign trade of the island during the fiscal year 1912 showed an improvement of 25 per cent over that of 1911. The exports reached $50,219,836 and the imports $54,549,980, the value of each being nearly double the highest figure prior to the American occupation. The leading exports were copra, hemp, sugar and tobacco. In response to a request for a statement of expenditures on account of the Philippines, President Taft informed Congress in July that the islands "have been in no way a charge against the United States treasury," and that there was a balance in their favor on all items except the increased cost of the army and navy. Speaking at a dinner in New York, the president said that if the islands were abandoned as soon as contemplated in the bill before Congress (see last RECORD, p. 367) chaos would result and the work already accomplished be undone. In October an inter-island parcels post system was established, the maximum weight allowed being eleven pounds. A typhoon of great violence swept over the archipelago on October 16, causing the loss of a thousand lives and of property worth $25,000,000. The area affected extends from Taclobau in the north to Surigao in the south. Serious damage was done to shipping in the chief harbor of Cebu.—In July there was a serious outbreak of bubonic plague in **Porto Rico**, most of the cases ending fatally. The disease appears to have been brought from Trinidad. Owing to the prompt measures taken, there were no additional cases in August. The foreign trade for the fiscal year 1912 was $92,000,000, an increase of $14,000,000 over the previous year.—Secretary Fisher visited **Hawaii** in September to investigate the charges brought against Governor W. F. Frear by Delegate Kalanianaole, to the effect that the governor was reactionary and over-friendly to the sugar interests. The investigation convinced Mr. Fisher that the charges were not well founded. A government botanist has discovered a large forest of rubber trees upon land owned by the government but leased to ranchmen.

III. LATIN AMERICA

MEXICO.—Supporters of the Madero government declared that Congress in its winter session would regard favorably the agrarian, financial, anti-peonage and factory legislation proposed by the cabinet.—**Revolutionary bands** under General Orozco continued their activity in the **northern**

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provinces of Chihuahua and Durango. In June, the Chihuahuan legislature authorized a bond issue of $1,000,000 to finance the revolution. Federal successes at Cantro-Ciénagas on May 11, at Rellano on May 24, at Bachimbo on June 17 and south of Chihuahua on July 3 were followed by the restoration of federal control in the towns of Juarez and Chihuahua. A battle at Cuencame on October 28 was reported to have resulted in the defeat of the revolutionists.—The Zapatistas, a revolutionary force in the **south** (see last RECORD, p. 368) captured the town of Ixtapa and continued to terrorize that region by wrecking trains and raiding villages.—In October a new revolutionary movement under the leadership of General Felix Diaz, a nephew of ex-President Porfirio Diaz, rapidly spread along the **Gulf coast**, several towns falling into the hands of the revolutionists. A federal army under General Beltran, however, administered a crushing defeat to the rebels at Vera Cruz on October 23, and General Felix Diaz was captured and court-martialed.

CARIBBEAN AND CENTRAL AMERICAN STATES.—In May General Estenoz instigated a revolt of the negroes in Oriente, the easternmost province of **Cuba**. The ensuing guerilla warfare practically came to an end with the defeat and death of Estenoz on June 27. Following the suppression of the revolt, a lively political discussion arose, focused upon an alleged conspiracy to force the reëlection of President Gomez. Señor Laredo Bru, secretary for the interior, was accused of unduly influencing the presidential campaign and tendered his resignation in October. The presidential election, held on November 1, was comparatively quiet. The Conservative candidate, General Mario Menocal, received a majority vote over Señor Zayas, the Liberal candidate.—The accidental ignition of ammunition stores caused the death of General Cincinnatus Leconte, president of **Haiti**. A joint session of the Senate and the Chamber named General Trancrede Auguste to succeed General Leconte.—A revolution in **Santo Domingo** led to intervention by the United States (see *supra* p. 735).—Dr. Porras, the opposition candidate, was elected president of **Panama** in July.—General Louis Mena, president-elect of **Nicaragua**, became impatient to enter office before the legally appointed time in 1913, lost his place in the ministry and started a revolution. On August 12 his attack on the capital, Managua, was repulsed with the aid of United States marines. On August 23, the revolutionists captured the city of Leon and massacred the garrison of 430 men. After losing the towns of Coyotepe and Massaya, the insurgents sued for peace (see *supra* pp. 734, 735).

SOUTH AMERICA.—A ministerial crisis in **Venezuela** brought about the resignation of the cabinet on April 30.—The new National Congress of **Ecuador**, which assembled at Guyaquil on August 10, elected Señor Morena to serve as head of the government until the inauguration of President-elect Leonidas Plaza.—The **Peruvian** cabinet resigned on August 1. On August 23, Señor Billinghurst was elected president of the republic. (For the Putumayo atrocities, see *supra*, pp. 735, 736).—The constitutional and

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diplomatic committee of the **Brazilian** Senate reported a bill to the effect that the Union would repudiate debts contracted abroad by states or municipalities without the sanction of the National Congress. Threat of disorder in connection with the gubernatorial elections in the state of Para led to federal intervention in October.—Anarchy continued to prevail in **Paraguay** throughout the summer months (see RECORDS of December 1911, p. 757, and June, 1912, p. 368). It was reported that the provisional government was making headway against the insurgents. The news of a victory for the government forces at Asuncion was announced on May 13.—A ministerial crisis was created in **Chile** by an alliance of the Liberals with the Balmacedists. In the new ministry which was formed in August, Señor Guillermo Barros became minister of the interior and Señor Antonio Huneeus took the portfolio of foreign affairs. A second dreadnought was ordered by the Chilean government. French engineers claimed to have discovered large iron deposits in the province of Coquimbo.

IV. THE BRITISH EMPIRE

COMMISSIONS OF THE IMPERIAL CONFERENCE.— The Imperial **Defence Conference** was opened in London on July 16. In reply to the German army and navy acts, supplementary naval estimates calling for an expenditure of £990,000 were announced by Mr. Churchill, first lord of the Admiralty; and it was stated that the formation of six homogeneous battle-squadrons was planned. In speaking before the conference, Mr. Borden, the Canadian premier, vouched for the willingness of the Dominion to contribute three dreadnoughts at a cost of about $30,000,000; at the same time, he averred, Canada desired a voice in imperial affairs. The Australian Commonwealth appropriated £5,215,000 for naval and military expenses. The New Zealand defence estimates were £456,000; and, although that Dominion had declined to send naval cadets for training to the Federal College, on the ground that it was not creating a local navy, a battle cruiser, the "New Zealand," was presented to the Admiralty. It was proposed that a minister of external affairs should alternate with the premier or the minister of war in representing New Zealand in the Imperial Defence Commission. The Defence Bill, passed by the South African House of Assembly, showed an increase of about £500,000 over the preceding year. By the new South African defence scheme, under which every citizen, in addition to completing a four-year training period in the citizen forces, would be liable to service until his sixtieth year, the United Kingdom was to be relieved of its expenditure for garrisons in South Africa.—It was announced that the Imperial **Trade Commission**, which was created under resolution xx of the Imperial Conference of 1911, and which held its first session on June 15, would visit Australia as soon as it had concluded its investigations in the United Kingdom. In August, Sir George Reid conferred with Mr. Foster, the Canadian minister of trade and commerce, regarding the proposed extension of preferential trade arrangements between Australia and Canada.

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THE UNITED KINGDOM.—Several measures of importance were discussed in **parliament** prior to its summer vacation, which commenced on August 7. Of these the most prominent, the bill for the government of Ireland, popularly known as the Home Rule Bill (see last RECORD, p. 370), had passed second reading early in May and went into committee on June 11. Proposals to exclude the four Ulster counties from the operation of the measure, and to eliminate the provisions regarding an Irish Senate, were rejected. The Welsh Disestablishment Bill introduced in April (see last RECORD, p. 371) passed second reading. The Trade Unions Bill, which passed second reading early in August, would compel trade unions to take a ballot of their members on the question of expenditure of money for political purposes. A bill was introduced by Mr. Harold Baker to reform parliamentary suffrage by abolishing plural voting and university representation, and it was so worded that, with some important restrictions, women would be entitled to exercise the franchise. It was estimated that this bill would increase the electorate from eight to ten millions. Although the government was delaying consideration of the bill, probably in fear of protracted discussion of suffrage for women, the second reading was passed on July 12. A Government of India Act received the royal assent in August.—In June, Mr. Lloyd George announced that, of the **treasury surplus** of £6,500,000, five millions would be applied to the reduction of the national debt, one million would be set aside for the supplementary naval estimates, and a half-million would be loaned to Uganda and the East Africa Protectorate.—The summer months witnessed a vigorous **electoral campaign** on the part of the Unionist leaders. Lord Lansdowne defined the Unionist agrarian policy as insistence on a discriminating measure of state-aided purchase, rural banks, better housing and more effective agricultural education. It was claimed that the power of the Liberal ministry was declining: in the interval between December 10, 1910, and November 1, 1912, the Liberals had lost eight seats to the Unionists; even the famous Mid-Lothian constituency had turned Unionist. It was claimed further that the Insurance Act had alienated a large number of the supporters of the Liberal ministry, that the Welsh Disestablishment Bill would prove a still more costly measure, and that in the fight for the Home Rule Bill the Asquith ministry would meet its Waterloo.—The **Insurance** Act (see last RECORD, p. 369), which went into effect on July 15, encountered opposition in various quarters, notably among domestic servants and, far more, among the physicians, who refused to render their services at the rate of remuneration fixed by the act. Mr. Lloyd George was negotiating a compromise with the physicians in October. Frequent and vigorous mass-meetings called attention to the difficulties that beset the **Welsh Disestablishment** Bill. On June 12, 13,000 Anglican Welshmen met in Hyde Park, London, to hear speeches by Mr. Bonar Law and by the archbishops of Canterbury and York. The most violent attacks of the opposition were directed, however, against the proposed Home Rule

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Bill. **Anti-home-rule** demonstrations were frequent in Ireland and in London during the summer. Sir Edward Carson addressed 1000 delegates from Ireland in Albert Hall on June 14. The Unionist clubs, which had lapsed into comparative inactivity after the home-rule agitation of 1893, rapidly revived and increased their membership, it was claimed, to 180,000. A series of extraordinary demonstrations began on September 18 in **Ulster**. A meeting at Enniskillen, attended by 30,000 ardent Orangemen, listened to eloquent speeches by Sir Edward Carson, Lord Erne and Lord Hugh Cecil, which expressed a spirit of uncompromising antagonism to the home-rule proposals. Anti-Catholic rioting took place at Belfast in the course of the demonstrations. The culmination of the ten-days agitation was Covenant day, September 28, when, in large cities all over the United Kingdom, mass meetings pledged support to the anti-home-rule fight, and in Ulster Hall, at Belfast, thousands of Orangemen signed a solemn covenant by which they bound themselves not to acknowledge a Dublin Parliament, and to resist, forcibly if necessary, any attempts to collect taxes imposed by such a body.—Despite the vigorous stand taken by Ulster, the ministry determined to rush the bill through the Commons as speedily as possible. After the reassembling of **Parliament** on October 7, a motion was introduced by the government to allocute thirty-four days for the consideration of the Home Rule Bill: twenty-five days for the committee stage, seven for the report stage and two for the third reading. The motion called out a storm of protest against "this combination of the guillotine and kangaroo closure"; but to the majority it seemed senseless to prolong debate in the House of Commons, inasmuch as the real struggle would come after the bill had been submitted to the Lords. A government amendment, providing for the election, after the first five years, of members of the Irish Senate according to proportional representation schemes, passed the Commons, on October 31, by a vote of 298 to 209. On November 5 a woman-suffrage amendment was defeated, 314 to 141.—A **by-election** at Hanley was the occasion of an altercation between the Liberals and their Laborite allies. In spite of their threat to withdraw all the Labor members from the House of Commons in case the Liberals contested the election, the Labor leaders took no action when the Liberals not only contested the seat but won it.—In May, the Admiralty, accompanied by Mr. Asquith, made a tour of the British fortifications in the Mediterranean. On June 14, Lord Loreburn was succeeded by Viscount Haldane as lord chancellor, Col. J. E. B. Seely took the portfolio of war, and Mr. H. J. Tennant became parliamentary under-secretary to the War Office. The Master of Elibank resigned his position as chief Liberal whip in August, in order to devote himself to commercial life; he was created a baron on August 16. Mr. Illingworth was appointed to fill the position thus left vacant.—Widespread sympathy was expressed at the death on August 20 of General Booth, commander of the Salvation Army.—The campaign of the militant **suffragists** continued throughout the period. Mrs. Pankhurst and Mr. and Mrs.

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Pethwick-Lawrence were committed for nine months on a charge of conspiracy, but were released after a short time. The demolition of the windows of public and private buildings continued to be a favorite mode of demonstration. While speaking in the Theatre Royal, Dublin, on July 26, Mr. Asquith was assaulted, and an attempt was made to burn the theatre. Two suffragists were sentenced for twenty-five years as a result of their activity on this occasion, but they were subsequently released on license. In October, Mrs. Pankhurst declared a war against property as the only means of securing recognition of the rights of women. The Pethwick-Lawrences, hitherto among the most valued supporters of the movement, refused to take part in so violent a campaign.—On May 23, the national executive of the Transport Workers' Federation decided to call a **general strike of dock-laborers** for the "adjustment of grievances." The demands of the strikers included acceptance of the report of Sir Edward Clarke, the establishment of a joint board representing the various interests of the Thames and the Medway, the recognition of the Transport Workers' Federation and the reinstatement of all the strikers. A national strike was declared, June 10, and it was reported that 25,000 men ceased work. Serious stoppage of business resulted at Swansea in Wales and in London. The strike gradually diminished in effectiveness towards the end of June, and most of the strikers returned to work without having obtained material concessions.—The Trades Union Congress in September reaffirmed its adherence to a policy of political action.—On June 8, the Congress of the Chambers of Commerce passed a resolution in favor of imperial preference. On the same day, Lord Grey presided over a meeting of business men, at which it was decided to form a consultative council to encourage the growth of labor copartnership.—The spread of the foot-and-mouth disease in Ireland brought about a rigid cattle quarantine and closure of the cattle markets in the north of England.—It was reported that the government planned the erection of five high-power wireless stations forming a complete round-the-world wireless system, at a cost of £600,000.

CANADA.—During the latter half of the summer the premier of the **Dominion** government, Mr. Borden, was in Great Britain, attending sessions of the Imperial Defence Commission and advocating in numerous speeches participation by the colonies in the control of imperial affairs. Sir Wilfred Laurier, the Liberal leader, conducted a mildly anti-militaristic campaign in Canada during the summer. In October the Nationalists were still demanding a *plébiscite* on the question of the navy and imperial defence. It was, however, generally regarded as settled that the Parliament would grant the request of the ministry for the construction of three dreadnoughts.—In June the duty on cement was reduced one-half.—The Liberals in **Saskatchewan** carried the provincial elections on a low-tariff and reciprocity platform. The provincial elections in **New Brunswick** resulted in the election of 46 Conservatives and two Liberals.—In June a Congress of the French race at **Quebec** passed resolutions for the cultivation of the

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French and Latin languages. As a result of the strike of the London dock-laborers, freight traffic was paralyzed during July and August, and the wheat trade was seriously injured.—The **Manitoba** government-owned grain elevators were reported to have lost $100,000 in the twelve months ending May 1, 1912.

AUSTRALIA.—The amended Defence Bill, which was passed by the **Commonwealth Parliament** on August 23, authorized the expenditure of £5,215,000 for naval and military construction and for current expenses, and a maximum fine of £5 for evasion of military service. The budget allowed £1,055,000 for expenses connected with the postal system. A bill to establish a maternity allowance of £5 passed second reading. The programme for the approaching legislative session included a Navigation Bill and a bill to open up leasehold areas in the Northern Territory free of rent for ten years.—A new **Tasmanian** cabinet was formed in June with Mr. A. E. Solomon as premier, Mr. H. J. Payne as treasurer and minister of agriculture and railways, Mr. E. Mulcahey as minister of lands, works and mines, Mr. G. H. Butler as chief secretary, and Mr. C. Russen as honorary minister.—The opening of the canal at Yanco in July made the first section of the Murrumbidgee irrigation district in the Riverina ready for settlement. It was planned that a commission should have temporary charge of the development of industries in that region.—The **Queensland** general elections on April 29 resulted in a victory of the government over syndicalist opposition. The government majority in the Legislative Assembly increased from eight to eighteen.—**Census returns** in May made it evident that the population of the Commonwealth had increased 130,000 within ten months.

NEW ZEALAND.—On July 9, in consequence of a vote of the House of Representatives expressing want of confidence in the government, the Mackenzie cabinet resigned and Mr. Masey, the leader of the opposition, formed a **ministry**, including Messrs. Allen, Bell, Herries, Frazer, Herdman, Fisher and Rhodes and Dr. Pomare. The House was thereupon adjourned until July 31, in order to give the cabinet an opportunity to prepare its programme. In August the budget was speedily voted; and in October resolutions were carried affirming in principle the proposed legislation to make the Council elective upon a basis of proportional representation of large electoral districts.—In order to check political patronage, the ministry introduced a bill to place the appointment to **civil service** offices, except those connected with the railways, in the hands of a commissioner. Applicants for office who should solicit the aid of public officers would be disqualified.—The Earl of Liverpool was appointed in August to be **governor** of the Dominion in succession to Lord Islington.—A strike at the Waihi mines failed, because the government introduced extra police to protect non-union labor.

SOUTH AFRICA.—The long session of the **Union Parliament** of South Africa, which closed June 25, had to its credit a Defence Act, a Miners' Phthisis Act, a Land Bank Act, a Land Settlement Act, an Irrigation Act,

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a Public Service Act and a Railroad Service Act (see last RECORD, p. 373). The Miners' Phthisis Act provided for the creation of two funds: an annual levy of £70,000 on the mine-owners for benefits to miners afflicted with phthisis, and an insurance fund contributed by the government. A bill to impose duties on estates as well as a tax of one-fourth of one per cent on the face value of the bonds of South African companies was postponed for further discussion.—The number of **cabinet** portfolios was reduced to nine, Sir David de Villiers Graeff having resigned.—The congress of the Association of Chambers of Commerce expressed itself against the proposed increase of duties.—Frequent outrages committed by negroes on white women led to the appointment in June of a commission of inquiry regarding rape in South Africa.—The separatist **schools** which were established by the Hertzog Education Act were closed on June 30.

INDIA.—The appointment of a royal commission to revise the **civil service** in India elicited widespread comment. In a resolution of the All-India Moslem League and in editorials of the Allahabad *Pioneer* the existing civil-service conditions were warmly defended.—A resolution passed by the Governor General's Council announced that the government would oppose any radical change in the system of **financial** relationship between the central authority and the provinces. The existing provincial settlements for Madras, Bombay, the United Provinces, Burma, the Punjab and the Central Provinces were declared to be permanent, and similar settlements were promised for Bengal, Behar and Orissa, and Assam.—Sir James Menton, who assumed the office of lieutenant-governor of Agra and Oudh in October, was said to be favorable to the institution of an executive council in his province.—The news of Turkish reverses in the Tripolitan and Balkan wars produced unusual excitement among the **Moslems** of India. Organs of pan-Islamism increased in influence during the summer, and large and enthusiastic Moslem mass-meetings were held at Delhi and at Bombay.

OTHER DEPENDENCIES.—A committee was appointed by the secretary of state for the colonies to consider laws regarding the transfer of land in the **West African** colonies and protectorates, exclusive of Nigeria.—A punitive expedition was despatched in June against the Mada cannibals in the Ninkada district of **Nigeria**. In September, Sir Frederick Lugard took up his duties as governor of both Northern and Southern Nigeria. It was reported that he would attempt to amalgamate the two provinces.—Mr. Henry Conway Belfield was appointed governor and commander-in-chief of the **East African** Protectorate in succession to Sir Percy Girouard.—High tariff duties were condemned by resolutions of the **Rhodesian** chambers of commerce.—An inspection of the defenses on the island of **Malta** by the lords commissioners of the Admiralty took place on June 1.—Rioting in **Cyprus** resulted in the occupation of the town of Limassol by armed British troops in June. In July a deputation of Greek members of the Legislative Council was sent to London to plead for redress of grievances.

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V. CONTINENTAL EUROPE

FRANCE.—Electoral reform was the chief consideration of Parliament, the proposals of the universal suffrage committee having been supplanted by a government bill on the basis of *scrutin de liste* over comparatively large areas with representation of minorities. The bill was read the first time early in June. A counter-project for strictly departmental *scrutin de liste* was developed by M. Augagneur, but the Chamber rejected it, passing a vote of confidence in the government, 346 to 197. During the first week in July the *scrutin de liste* was voted in principle; and on the twelfth the whole bill passed the Chamber by a vote of 339 to 217. This bill, which made certain concessions to M. Augagneur's scheme, provided for the election of deputies to the Chamber by *scrutin de liste* with minority representation. As far as possible the electoral districts would coincide with the departments. One seat would be allowed for every 70,000 French inhabitants, or for fractions over 20,000. No double candidatures would be permitted. The electoral quotient was defined as the number of voters in a department divided by the number of deputies allotted to the department. The number of seats allotted to each *liste*, or party ticket in a department, was to be determined by dividing the number of votes cast for the party ticket by the electoral quotient. Seats remaining to be awarded after the application of this rule would be given to the *liste* receiving the greatest number of votes. A vacancy would not be filled by by-election, but by the unelected candidate on the same *liste* who had received the largest number of votes in the previous election. After the adjournment of the Chamber for the summer, an energetic campaign against the bill was carried on by the *arrondissementiers*. The dissentient Radical committee of the Chamber and Senate issued a manifesto denouncing what they termed the evils of proportional representation, M. Combes and M. Clémenceau appearing to be the leaders of the opposition to the reform. On the other hand, it was a matter of general belief that the majority of the members of the *conseils généraux* were favorable to the bill.—The **municipal elections** all over France on Sunday, May 5, left the party distribution almost unchanged; although in some quarters it was asserted that the Radical *bloc* had suffered losses.—The treaty of March 30 establishing a French protectorate in **Morocco** was ratified by the Chamber on July 1, by a vote of 460 to 79; and a separate department for Moroccan affairs was established at the Quai d'Orsay.—In supplementary estimates for the state **railways** submitted to the special budget commission by the minister of public works, it was estimated that the deficit on the *Ouest d'État* for 1913 would be $17,876,200, as compared with $16,887,980 for 1912.—In June, M. Millerand, the minister of war, outlined his plan of retaliation against the German **Army** Bill by increasing the number of long-service men and by making more extensive use of the native forces in the African colonies. The influence of M. Delcassé manifested itself in the reorganization of the **naval** general staff into four sections, as well as in

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international naval arrangements (see *supra*, p. 731).—A government appropriation helped to make the two-hundredth anniversary of the birth of Jean Jacques Rousseau an occasion of national rejoicing.—A **strike** of dock-laborers and of seamen at Havre, Brest and Calais continued through June and July and was settled by arbitration. As a result of the strike and of the stoppage of grain in the Dardanelles, the price of bread rose in June to about 18 cents a pound.—An order of the government for the **dissolution of teachers' unions**, on account of syndicalist and anti-militaristic tendencies, was obeyed except by the Union of the Seine, which refused to disband by September 10. The government announced salary increases and increased protection for the teachers, and M. Guist'hau, minister of education, issued a circular of warning to the recalcitrant unionists, but the latter remained obdurate.—The series of French naval misfortunes was continued by the regrettable collision which sank the submarine "Vendémiaire" in June, and by another avoidable calamity due to defective gunpowder.—In May, the leaders of the motor-car bandits who had long terrorized Paris were killed.—It was announced that $644,500 had been subscribed to the national committee for military aviation.—The government of the colony of **Oceanie** was again placed in the hands of a secretary-general; M. Geraud was appointed to this office. The late M. Mallan was succeeded by M. Vallenhoven as governor of **Indo-China**. The islands of Anjouan, Moheli and Grande-Comore were declared French colonies in August and were attached to the government of **Madagascar**.—An **Algerian** deputation of Mussulmans presented resolutions to M. Poincaré regarding modifications, in favor of the natives, of the conscription law of February, 1912.

GERMANY.—The quinquennial Army Act of 1911 proved insufficient to satisfy the growing demands of militarism in Germany, and on April 22 supplementary Defence Bills were introduced, which contained provisions for increases in the **army** and in the **navy** as well as for the creation of funds for the additional expenditure. These bills passed third reading on May 21. The Army Bill called for the creation of two new army corps to guard the Franco-Prussian frontier; involved an increase of the peace-footing from 515,321 to 544,211 men; and necessitated an estimated expenditure of $107,041,500 up to and including the year 1917. The existent naval program, calling for the construction of three battleships, one large cruiser, two small cruisers, besides destroyers and submarines, was amended so that three additional battleships and two cruisers should be built by 1920. By a reorganization of the active fleet, involving an increase in the personnel of 1600 men a year, the instant effectiveness of the navy was largely increased. The estimated annual increase in naval expenditure was $24,250,000 for 1912 and $31,750,000 for 1913. The increase in defence appropriations was covered by the budget surplus and by new revenue to be gained by decreasing the percentage of the brandy excise tax paid over to the states. This legislation proved to be too mod-

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erate for the Navy League, which continued its militaristic agitation during the summer, and on the other hand, too extensive to suit the Progressive and Socialist groups. Fifty Socialist meetings were held in Berlin as a protest against the extravagance of militarism.—The **Reichstag** passed a bill on May 8, to allow questioning of the government as in Great Britain, without the formality connected with an interpellation. The chancellor expressed his willingness to submit voluntarily to questionings but refused to recognize any obligation in that regard. Before the adjournment on May 22, resolutions were passed recommending the imposition of inheritance and property taxes.—The dismissal of a Catholic army officer who refused to "maintain his honor" by duel led to caustic criticism of the war ministry by Catholics and Socialists and to the adoption of anti-duelling resolutions by the Reichstag. The war minister declared that duelling was reprehensible but inevitable.—At the Congress of the **Socialist party** at Chemnitz in September, an increase of membership to 1,113,550 was announced, and Herr Bebel was reëlected president of the party.—On May 9 two Socialist deputies, Herren Borchardt and Leinert, were forcibly ejected from the **Prussian** Diet because they insisted on interrupting proceedings. They were tried on charges of breach of peace and resistance to orders, and were fined $25 and $12.50 respectively.—High food prices and consequent bitter suffering among the poor led to numerous riots in the large cities. In September, the Socialist Reichstag deputies presented a petition to the imperial chancellor, Dr. von Bethmann-Hollweg, in which they demanded the abolition of the restrictions and duties which limited the importation of foodstuffs. On October 4, the Prussian government published its relief proposals. Large towns were allowed to import fresh beef and pork from the Balkans and from Russia and fat cattle from Belgium at a reduced rate of customs-duties, provided the meat were sold under municipal control direct to the customer at lowest prices.—The government of **Schwarzburg-Rudolstadt**, after combating an intractable Socialist majority in the Diet for some time, solicited the opinion of Dr. Laband in support of its determination to govern unconstitutionally.—The lottery arrangements between Prussia and the South German states were extended to **Bavaria** by vote of the Bavarian Chamber.—A **Progressive Alsatian party** was definitely constituted in May, with a program including ministerial responsibility, the abolition of exceptional laws, the introduction of a superior administrative tribunal, restriction of the suffrage to citizens of Alsace-Lorraine, a progressive income-tax, reduction of tariff, and instruction in the French language in the schools.

AUSTRIA-HUNGARY.—The budget for the **dual monarchy**, as passed by the Austrian and Hungarian Delegations on May 4, comprised expenditures of $78,685,000 for the army, $14,935,000 for the navy, and other items amounting in all to $98,104,165. A bill for workingmen's pensions was laid on the table. New army laws passed in the Austrian and in the Hungarian legislatures were designed to raise the peace footing of the dual

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army from 290,000 to 350,000 and to reform the antiquated military penal code.—In **Austria**, during the passage of the Army Bill in June, a ministerial crisis was threatened. The Poles took offence at the message of congratulation in which Emperor Francis Joseph commended the new "patriotic attitude" of the Ruthenians, manifested by their support of the bill, and the Polish minister without portfolio, M. de Dlugosz, resigned from the cabinet. On June 19, the Polish party adopted a resolution that it had lost confidence in the government of Acting-Premier Baron von Heinhold. The emperor refused to accept the resignation of M. de Dlugosz and made peace with Dr. Leo, the Polish leader.—In **Hungary** the passage of the Army Bill was attended by characteristic violence. Count Stephen Tisza, president of the Chamber, established his reputation as a master of parliamentary procedure. The turbulent members of the opposition were repeatedly removed, often only after considerable disturbances, and the majority passed the Honved Recruits Bill, the Military Penal Procedure Bill, and minor measures regarding authors' rights and the establishment of institutions of higher education. The Army Bill was then passed by the Senate on June 11. Outside the Chamber the opposition members, headed by M. de Justh and Count Apponyi, were energetically supported by a considerable portion of the population of Budapest. Mass-meetings, street-rioting and attacks on the person as well as on the dwelling of Count Tisza made it necessary to place Budapest in a state of siege and to hold 30,000 troops ready for service against the citizens. An attempt to assassinate Count Tisza failed. The winter session of the Diet was begun on September 17 with the removal of the opposition members, and a motion of the rump parliament to exclude the 59 most troublesome deputies. This action was also followed by riots.—A general strike in favor of universal suffrage, which was proclaimed in Budapest during May, entailed violence and bloodshed but failed to secure its object.—The enmity existing between **Croatians** and Hungarians was increased by the execution of a Croatian student, who attempted the life of a cordially hated official.

RUSSIA.—The **naval** appropriations, voted by the Duma, marked a new era in Russian naval policy, the authorized expenditure of 162,000,000 roubles for naval purposes showing a sixty-per-cent increase over that of 1910. The Naval Bill passed by the Duma on June 19 authorized the expenditure of 502,000,000 roubles for urgent ship-building and the construction of naval ports during the period 1912–17. The **army** estimates for 1913 contemplated an expenditure of 545,581,753 roubles, an increase over 1912 of 52,659,585 roubles. In proroguing the Duma on June 21 the tsar expressed his complete satisfaction with the attitude of the Duma on the question of defence.—In September the Duma, which had been sitting since 1907, was dissolved, and **new elections** were ordered. In October it was stated that, of 3935 electoral delegates who would choose the members of the Duma, 336 were peasants, 929 were small landed proprietors, 2618 represented the clergy and 53 were workingmen.—In June there were

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strikes in all the mines and factories in the Donetz basin.—As the result of an inquiry into the prevalent condition of unrest among the sailors of the Black Sea fleet, 300 seamen were sent ashore. Sevastopol and Cronstadt were placed in a state of siege to prevent the spread of revolutionary propaganda.— In October the health of the eight-year-old tsarevitch, Grand Duke Alexis, caused much concern.

ITALY.—In spite of the drain of the Tripolitan war on money and men, a remarkably large proportion of the people patriotically supported the government. The sessions of **Parliament** were lifeless.—The long trial of the criminals belonging to the **Camorra** was ended on July 8. Nine of the prisoners were condemned to imprisonment for thirty years for complicity in a murder committed in 1906, and sixteen were sentenced to shorter terms for belonging to a criminal association.

PORTUGAL.—In June the Vasconcellos cabinet found itself unable to conduct the government on account of strife between the Radical Republicans under Dr. Costa (see last RECORD, p. 379) and the Unionists under Dr. Camacho. The difficulty was overcome by the formation of a **coalition ministry**, with Dr. Duarte Leite as premier and minister of the interior, Senhor Vasconcellos as foreign minister, Senhor Vincente Ferreira as minister of finance, Col. Correia Barreto as war minister, Senhor de Albuquerque as minister of the colonies, Senhor Correia de Lemos as minister of justice, Senhor Fernandes Costa as minister of marine and Senhor Costa Ferreira as minister of public works.—In July a loan of $2,500,000 for the construction of railways was negotiated with Portuguese banking firms. The Lisbon electric tramway strike was settled in June.—The **royalists** continued their attempts to overthrow the republic. On May 3 fifty royalists raided the Moncao customs post and then recrossed the border into Spain. In June, Captain Paiva Couceiro, the leader of the monarchist invasion at Vinhaes on October 5, 1911 (see RECORD of December, 1911, p. 768), was sentenced to imprisonment for six years. In July a formidable invasion was planned. Concentration of royalist forces along the northern frontier proceeded during the first week of July, and on July 8 the *émigrés*, to the number of 800, began their attack on Chaves and Valencia, two frontier towns commanding the roads to Braga and Oporto. The failure of the peasants to come to the support of the *émigrés* and the prompt action of the government forces left the invaders no chance of success. Many fled across the frontier, while 62 starving stragglers surrendered near Gironda. By the end of July tranquility was restored; in August, many arrests were made, and a number of conspirators were condemned to slow death in the Lisbon penitentiary. In October ex-King Manuel denied the report that he had abandoned the idea of a monarchic restoration.

TURKEY.—Although the electoral victory in April of the Committee of Union and Progress had given the government a majority in the Chamber, the party found its influence rapidly weakening during the summer. Criticism of the conduct of the Tripolitan war, and of the methods used in

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dealing with the insurrections that began in May and continued throughout the summer in Albania, in Asia Minor and around Beirut, was utilized by the Military League to create dissensions in the Chamber and in the cabinet and finally to overthrow the **ministry** of Said Pasha. Mahmud Shevket Pasha, the minister of war, who had antagonized the military faction by his harsh suppression of the Albanian revolt, resigned on July 9.—The minister of marine also tendered his resignation. Finding it impossible to hold his cabinet together, Grand Vizier Said Pasha resigned on July 17, although the Chamber had given him an almost unanimous vote of confidence on the 15th. On the 26th the veteran general and president of the senate, Ghazi Mukhtar Pasha, succeeded, not without difficulty, in forming an "all-star" ministry with three ex-grand viziers: Hilmi Pasha as minister of justice, Kiamil Pasha as president of the Council, and Ferid Pasha as minister of the interior. Djeinal-ed-din Effendi became sheik-ul-Islam; Nazim Pasha, minister of war; Mahmud Mukhtar Pasha, minister of marine; Zia Bey, minister of finance; Gabriel Effendi Noradunghian, minister of foreign affairs; Mehmed Fezi, minister of pious foundations; and Said Bey, minister of public instruction. Among the first acts of the new ministry were the dissolution of the Chamber on August 4, with the consent of the Senate; the appointment of an Albanian commission to investigate the grievances of the mountaineers; and the abolition of the prolonged state of siege at Constantinople. The dissolution of the Chamber was at once stigmatized by the Young Turks as unconstitutional.—The appointment of the **Albanian** commission resulted in a promise of extensive **reforms.** The demands of the tribesmen for the impeachment of the two preceding ministries and for permission to carry arms were not granted; but the administration of justice was to be reformed, functionaries were to be appointed from among the natives, agricultural and religious schools were to be founded, native languages were to be taught in the schools, roads were to be constructed, and amnesty was declared for participants in the recent rebellions. Later, in October, the revival of the vilayets law of 1880 (see *supra*, p. 728) aroused great enthusiasm, although protests were heard from some quarters.—Even in its first months the new ministry was not without its trials. Resignations of several members led to the appointment of Ali Danish Bey to the ministry of the interior, Halim Bey to the ministry of justice and Sadri Bey to the ministry of posts and telegraphs.—The **war** with the Balkan states aroused a patriotic sentiment which made for a union of parties and at least a temporary stability of government, although blame for the early reverses was laid upon the Young Turks, who were accused of political tamperings with the army officers. Kiamil Pasha resumed the post of grand vizier late in October. In September most of the members of the **Committee of Union and Progress** were reëlected; Omar Nadj and Rahmi Bey, however, were dropped. The dominant spirit seemed to be extremist, and the dominant personality was that of Talaat Bey. As the new

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head of the committee was Said Halim, an Egyptian prince of wide diplomatic acquaintance but possessed of little knowledge of the internal problems of the Ottoman Empire, Said Bey was made president of the committee's parliamentary party.—Tewfik Pasha was appointed ambassador to Great Britain in July.—The instigators of the massacres at Ishtib on December 4, 1911, were sentenced by court-martial to penal servitude for life. Plans were laid for the irrigation of Mesopotamia. It was reported that the war fund of $17,500,000 laid aside by Abdul Hamid was being drawn upon for the Balkan war expenses.—French bankers obtained an option on the proposed $50,000,000 loan for extinguishing the deficit and for constructing **railways.** The construction of the last section of the Bagdad railway, from El Helif to Bagdad, was begun on July 27.

OTHER EUROPEAN STATES.—In the **Swedish** Riksdag a Social Democratic bill to insure the permanent neutrality of Sweden was defeated, although the policy of neutrality was affirmed by the ministry. The sum of $3,331,500, raised by private subscription, was presented to the king for the enlargement of the navy.—King Frederick VIII of **Denmark** died suddenly in Hamburg on May 3. He was succeeded by his eldest son, forty-two years old, who became Christian X. In the speech from the throne at the opening of Parliament on October 7 it was announced that the programme for the coming legislative session would include constitutional amendments, to make not only the Folkething (the lower chamber) but also the Landsthing (the upper chamber) more representative, and likewise certain humanitarian and social legislation.—The States-General of the **Netherlands** were opened on September 17 by Queen Wilhelmina. The ministry asked for a preliminary credit of $625,000 for fort construction and presented a bill whereby the adjustment of estimates for coast defence would be expedited.—In order to establish proportional representation in **Belgium** on a basis of one member to every 40,000 inhabitants, twenty new seats were created in the Chamber and elections were held in June. The supporters of universal suffrage and of lay education were greatly disappointed in the resulting increase in the government majority. The newly elected Chamber contained 101 Catholics, 45 Liberals, 38 Socialists and two Christian Democrats. The triumph of the Clericals, who proposed to subsidize the "free" (*i. e.* Catholic) schools out of public funds, as had long been the practice in the case of the strictly lay schools, was the occasion for anti-clerical rioting in Brussels. In August it was claimed that the Socialist party was issuing manifestos urging the workmen to prepare for a general strike if parliamentary action failed to bring about universal suffrage on a basis of one man, one vote.—In **Switzerland** new ministers were elected in July: M. Schulthess became minister of commerce, M. Decoppet became home secretary and M. Ruchet was elected to the Federal Council.—Labor unrest in **Spain** was evidenced by the Oviedo mine strike and the general strike of railway employees for higher wages and shorter hours. The latter strike was ended by prompt preventive

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action on the part of the government, accompanied by promises to introduce in the Cortes a bill to better the condition of railway workers.—In **Servia** the death of Dr. Milanovitch, the premier, gave occasion for the formation, in September, of a new cabinet of Old Radicals. M. Pashitch became premier and foreign minister; M. Prolitch, minister of the interior; M. Patschu, minister of finance; M. Stoyanovitch, minister of agriculture; M. Jovanovitch, minister of justice; General Putnik, minister of war; and M. Liubomir Jovanovitch, minister of education. An extraordinary session of the Skupshtina was called to grant additional credits for the expense of mobilization.—The Sobranye of **Bulgaria** was convoked on July 5, Bulgarian Independence Day, to vote a series of credits amounting to $6,126,340 for mobilization. By unanimous votes the net surplus of 1911 was appropriated for this purpose, the tax on military exempts was increased, and ten-per-cent to thirty-per-cent reductions were made in the salaries of public employees.—Cretan delegates were admitted to the **Greek** parliament on October 14, with the provisional arrangement that Cretan parliamentary elections should be conducted under the Greek election law (see *supra*, p. 729).

VI. ASIA AND AFRICA

CHINA.—The urgent and vital question of finance was settled only partially and unsatisfactorily by the negotiation of the $50,000,000 loan with British financiers (see *supra*, p. 733). The reorganization of administration, the construction of railways, the development of industry, the maintenance of a well-disciplined standing army all depended upon the establishment of the new government on a sound financial basis. The six-power group offered unlimited assistance, but it was felt that the close supervision demanded in return would be a means of keeping China permanently weak or even a first step towards territorial disintegration. On the other hand, it was feared that the powers would not allow a negotiation of loans with Belgian and British financiers exclusively. A group of Belgian capitalists proposed to advance $50,000,000 for the construction of a railway between Honan-fu and Sian-fu, to be built under foreign supervision. This would be but a part of the great project of Dr. Sun Yat-sen for a main trunk line from Haichu Bay to Lanchau-fu, for the furtherance of which he had already been allowed 30,000 taels monthly by the government. Increasing prosperity, good crops and lively trade gave promise that China would not be wholly dependent on the capital of other nations; the province of Hunan contributed 300,000 taels to the central government; and the assembly authorized the issue, at 95 per cent, of national bonds redeemable in ten years to the amount of $500,000,000.—A vigorous national policy in Tibet (see *supra*, p. 733) and stern **suppression of rebellion** and disorder did much to establish the republic securely. There were outbreaks at Tsinan-fu, at Mukden and at Canton, but they were not a serious menace to the republic. An army of 10,000 mutinous troops under General Pung threatened Foochow for a time, but the arrival

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in October at Amoy of government troops from Nankin terrified the leader of the mutiny into flight. The presence of a large Chinese force in **Mongolia** made the secession of that province seem decidedly improbable. It was reported in August that General Li Yuang Hung was maintaining excellent order in central China. Two Hankow officers, Chin-wu and Hwang-hiu, were summarily court-martialed and executed on a charge of counter-revolution. An explanation was demanded in the Assembly; but the firmness of the premier, who refused to appear in the Assembly, although consenting to make explanations to delegates, resulted in increased prestige for the government.—At the opening of the **Advisory Council** representing the provinces of the empire, Mongolia, Tibet and Kokonov, President Yuan Shih-kai urged reforms of the currency, of taxation, of weights and measures, of education and of legal procedure; the consultation of foreign experts on finance, agriculture and forestry; the abolition of the opium *likin;* and negotiation with the powers for the increase of customs duties and the lowering of export duties.—In July the **Assembly** read for the first time a bill for Chinese control of the postal system, which hitherto had been under foreign administration.—Frequent **cabinet** changes were attributed to the heavy responsibility and difficult tasks of the new government. On June 15, Premier Tang Shao-yi suddenly left Peking for Tientsin, and later resigned, claiming that he had lost the confidence of his party as well as of foreign nations. On June 29 Lu Cheng-hsiang, who had been foreign minister, became premier, but by September 16 the strain of the work had so impaired his health that he was forced to resign. Chen Chimei, minister of industry and commerce, resigned on June 29. Liang Men-ting was appointed foreign minister on September 20. Dr. G. E. Morrison, Peking correspondent of the London *Times*, was appointed political adviser to the president on August 1.

JAPAN.—The **emperor** of Japan, Mutsihito, died on July 29, and was succeeded by his son, Yoshihito, thirty-three years of age. At the sound of the gun which announced the beginning of the elaborate funeral ceremonies of the late emperor on September 13, the famous General Nogi committed suicide with his wife, according to an old Japanese custom.—In the **general elections** in May for the lower House the Sei Yukwa (Unionist Constitutional party) won 217 seats, the Nationalists 89, the Central Club 27 and the Independents 44. Both the Sei Yukwai and the Independents showed increased strength.—A proposal to increase the **Korean** garrison, at a cost of $13,000,000, created a cabinet dissension in September; but the idea was abandoned in October, as the budget was unable to sustain this expense in addition to the heavy naval programme (see last RECORD, p. 383).—The appointment of Prince Katsura as grand chamberlain and keeper of the great seal, the highest position at court, gave rise to considerable speculation as to the tendencies of the new régime.—Viscount General Oshima Yoshimasa was appointed supreme military councilor in May, and Baron Tukushima succeeded him as governor-general of **Kwantung.**

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SIAM.—The trial by court-martial of the conspirators recently arrested (see last RECORD, p. 383) resulted in the condemnation of three to imprisonment for life, and of twenty for twenty years.

PERSIA.—The departure and virtual abdication of the regent, June 11, had the effect of aggravating rivalries and intrigues. Part of an expedition under Yar Mohammed Khan, sent out against revolting tribesmen by Prince Furman Firma, governor of Kermanshah, deserted to Salar-ed-Dowleh, who offered to restore the constitution and the Mejliss. With British financial backing the governor was able to send out troops against him; the mutineers were routed near Kermanshah on October 7, and Yar Mohammed Khan was killed.—M. Mornard was confirmed in his position as treasurer-general and director-general of customs.—The Persian cabinet declared its determination to reopen the Mejliss, to build a railroad from the Caspian Sea to the Persian Gulf with international capital, to organize an army of 28,000 men and to approach Great Britain and Russia for a loan of $1,000,000.

AFGHANISTAN.—A rebellion of Khost tribesmen, which lasted throughout June and July, was brought to an end in August, not so much through the action of the ameer as through the work of the mullahs. The governor of Khost was imprisoned at Kabul. In general the demands of the revolting tribesmen were conceded; taxes were lightened, and forced labor was forbidden.

EGYPT.—According to the report of Lord Kitchener, British agent and consul-general in Egypt, extensive reforms were being undertaken. In order to encourage thrift, the savings-bank system was extended to rural districts, usury was made a penal offence, and a project was under discussion to exempt small holdings up to five acres in area from distraint for debt. Justices of the peace were to exercise jurisdiction over petty cases between peasants, deriving their decisions from local custom and equity rather than from the statute law.—It was reported that the revenue exceeded the high-water mark of 1907 by $2,125,000.—In July several arrests were made in connection with a Nationalist conspiracy against the khedive, Lord Kitchener, and the prime minister.

MOROCCO.—Mulai Hafid abdicated the imperial title on August 15 in favor of Mulai Yusef, who had been viceroy. The new emperor was said to be acceptable to the French as well as to the greater number of tribesmen. Mulai Hafid was granted an annual pension of $70,000, and took up his residence in Paris (see *supra*, p. 732).

[For colonies in Asia and Africa, see the United States, the British Empire and the Continental European states, *supra*].

CARLTON H. HAYES.
EDWARD M. SAIT.

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